

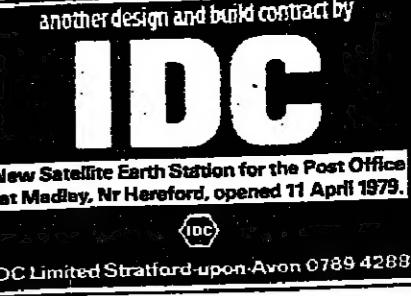
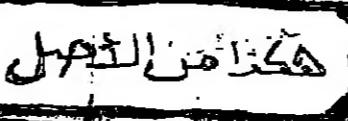
Our business is merging  
your business. Successfully.

PUBLISHED IN LONDON AND FRANKFURT

Wednesday April 25 1979

No. 27,848

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr. 3.5; FRANCE Fr 3.5; GERMANY DM 2.0; ITALY L 600; NETHERLANDS Fl 2.0; NORWAY Kr. 3.5; PORTUGAL Esc 25; SPAIN Pts 50; SWEDEN Kr. 3.25; SWITZERLAND Fr 2.0; EIRE 20p



## NEWS SUMMARY

### GENERAL

**Bishop wins in Rhodesia election**

Bishop Abel Muzorewa will become Rhodesia's first "black" Prime Minister next month. His United African National Council won 51 of the 72 black seats in the 100-member House of Assembly.

As the results were announced, the Rev Nabaningi Sithole, whose ZANU party won 12 seats, claimed there had been "gross irregularities" in the five-day election.

It was learned that Robert Hove, a senior member of Bishop Muzorewa's UANC was shot dead in Lusaka, Zambia, on Friday. Members of Joshua Nkomo's Zimbabwe African People's Union were believed responsible.

### Israel renews Lebanon raids

Israeli fighter aircraft last night bombed a string of villages on the Southern Lebanon coast. Earlier, six people were reported killed by Israeli naval gunfire and a Lebanese freighter was sunk off Sidon.

It was the third day of Israeli attacks on targets in Lebanon. Gunboats and artillery blasted rural villages and Palestinian refugee camps and guerrillas returned fire.

### Times go-ahead

Journalists on The Times voted 101 to 93 to continue co-operating with plans to produce a European edition from a Continental base in defiance of an instruction from their union executive. Earlier story, Page 14

### Teachers' moves

The teachers' pay dispute seemed close to settlement last night after talks between unions and education authority employers in the Burnham Committee, although the threatened disruption of national examinations still loomed.

### Iran attack foiled

A man armed with a sub-machine gun and a hand grenade was overpowered in Tehran after apparently trying to attack a funeral procession headed by Premier Mehdi Bazargan. Back Page

### Airports plan

British Airports Authority plans to spend £340m on new developments at its seven airports up to 1983-84. This includes £95.5m for the proposed Terminal Four at Heathrow. An additional £25m will be spent on "initial development" of the Third London Airport." Back Page

### Packer deal

Kerry Packer's World Series Cricket could be disbanded following the decision of the Australian Cricket Board to grant Packer's Channel Nine network exclusive television rights to cover official tests and other matches.

### Roads delay

More than 350 towns and villages are likely to wait at least 20 years before their traffic problems are relieved, said the British Road Federation. And the National Bus Company said local bus services were "losing millions of pounds" a year through town congestion. Page 10

### Briefly...

Film star John Wayne, who had his stomach removed on January 12 because of cancer, is back in hospital with bronchitis.

Ecuadorian airline Vickers Viscount with 57 people on board was thought to have crashed on a flight from Quito to Cuenca. Bomb disposal men defused a 1,000 lb bomb in Epping Forest which came from a German Junkers 88 brought down by wartime anti-aircraft fire. Page 28

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

|                             | RISES    | FALLS |
|-----------------------------|----------|-------|
| Treas 12pe 1983 A £103; + 1 |          |       |
| Exchequer 12pc              | 220 + 5  |       |
| 1981 (155 pd.)              | 170 + 7  |       |
| Barclays                    | 158 + 15 |       |
| Barclays Bank               | 156 + 16 |       |
| Bass                        | 154 + 12 |       |
| Beecham                     | 153 + 11 |       |
| Boots                       | 152 + 10 |       |
| British Home Stores         | 151 + 9  |       |
| British Sugar               | 150 + 8  |       |
| Brown (J.)                  | 149 + 7  |       |
| Burns Anderson              | 148 + 6  |       |
| Capital & Counties          | 147 + 5  |       |
| Danish Bacon A              | 146 + 4  |       |
| De Vere Hotels              | 145 + 3  |       |
| Dowty                       | 144 + 2  |       |
| Fosco Minsep                | 143 + 1  |       |
| Gill & Duffus               | 142 + 1  |       |
| Hardy (Furnishers)          | 141 + 1  |       |
| Land Secs.                  | 140 + 1  |       |
| MEPC                        | 139 + 1  |       |
| Farnell Elect.              | 138 + 1  |       |
| ICL                         | 137 + 1  |       |
| Haema Gold                  | 136 + 1  |       |
|                             | 490 - 33 |       |
|                             | 487 - 23 |       |
|                             | 23 - 4   |       |

## Witnesses sought after teacher's death

# Yard to investigate Southall riot

BY ROGER BOYES, JOHN LLOYD AND ANDREW TAYLOR

SCOTLAND YARD has appointed Commander John Cass, head of its Complaints Investigation Bureau, to look into allegations of police brutality during the riots in Southall, West London, on Tuesday night, during which a 33-year-old teacher, Mr. Blair Peach, died after receiving head wounds.

Cdr. Cass's report will go to the Director of Public Prosecutions. He has appealed for help from anyone who witnessed the clashes, among the worst seen in London since the war.

About 340 people were arrested, of whom nine appeared in court at Ealing yesterday on charges under the Public Order Act. Three were remanded in custody for a week and the rest released on bail. The remaining 321 will appear in court from May 4 onward.

The leaders of all major parties condemned "extremists" of both sides yesterday for causing the riots. Mr. James Callaghan said that the National Front, whose meeting in Southall Town Hall was the immediate cause of violence, were "too reminiscent of the Nazis to be comfortable for this country."

• GOLD rose \$4 to \$2418 in London.

• WALL STREET was 5.86 up to 863.76 just before the close.

• SASSIE underwriting syndicate members have been called to a meeting at Lloyd's today to be told what further help has been arranged for the syndicate which is facing \$13.6m of losses. Page 8

• JAPANESE shipments of cars and commercial vehicles to the UK this year will be kept at reasonable levels, according to a joint statement from Britain's Society of Motor Manufacturers and Traders and the Japanese Automobile Manufacturers Association. Back Page

• FIRESTONE merger fails

• FIRESTONE TIRE'S proposed merger with Borg-Warner has founded on Borg-Warner's refusal to improve its offer of \$375m (£240m) provisionally agreed last November. Back Page

• RUGBY PORTLAND Cement has been strongly criticised by the Price Commission for its management efficiency and pricing policy. Back, Page 7 and Lex

• MERCANTILE INVESTMENT Trust directors have defeated an attempt by rebel shareholders effectively to liquidate the company, which has assets of well over £100m. Back Page

• CIVIL SERVANTS seem likely to accept a pay offer of an immediate 9 per cent increase plus further stage rises, following the three to one vote for the deal from the Society of Civil and Public Servants. The other big union involved, CPSA, votes this week and officials expect the offer to be accepted.

• BRITISH RAIL is nearer reaching agreement with all three rail unions on a deal for 18,000 rail workers giving 12 to 13 per cent with higher rises for drivers, top signalmen and signal technicians. Page 14

• DUNLOP workers at Coventry have authorised their shop stewards to organise the breaking of official picket lines if necessary to maintain production. Pickets had been set up by Dunlop unions to try to force the company to reopen its Speke plant which closed last week. Back Page

• COMPANIES

• TOZER KEMSLEY and Milburn pretax profits in 1978 rose from £5.52m to £7.63m. Page 28

• CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

Melville Dundas 49 + 5

Menzies (J.) 220 + 5

Mercury Secs. 170 + 7

News Int'l. 158 + 15

Pleasurama 156 + 16

Smith (W. H.) A 154 + 8

Tesco 153 + 4

Unilever 140 + 20

Uvd. Carriers 112 + 9

Wm. Wrigley 210 + 10

Shell Transport 754 + 20

Coss. Gold Fields 244 + 7

Imperial Platinum 158 + 8

President Brand 151 + 6

RIZ 334 + 6

Southwail 495 + 17

Western Hides 158 + 4

FALLS

Farnell Elect. 490 - 33

ICL 487 - 23

Land Secs. 307 + 7

MEPC 192 + 8

Haema Gold 23 - 4



Mr. S. J. Sinha, leader of the Southall Youth Movement, at yesterday's Press conference

she rejected any suggestion of banning the Front.

Mr. Merlyn Rees, the Home Secretary, said that the Public Order Act needed reviewing. "We have to look at it in terms of race relations, and we need to look at it very firmly now in terms of law and order."

Mr. Rees will meet Sir David McNee, the Metropolitan Police Commissioner, today. An inquiry into the wider aspects of Tuesday's clashes will be considered when the full facts are known.

Mr. Martin Webster, the National Front organiser, who addressed the meeting in Southall Town Hall on Monday, made clear yesterday that the National Front would continue its programme of meetings, some in areas with substantial black and Asian populations.

"There will be much more like Southall. It will get worse and worse," he said.

In Southall leaders of the Asian community bitterly attacked police brutality, which they saw as wholly responsible for the rioting.

The Indian Workers' Association demanded an independent

public inquiry, and appealed to all demonstrators injured in the riots to make formal complaints and seek legal advice.

Particular criticism was voiced of the Special Patrol Group. Mr. Merlyn Rees, community relations officer for Ealing Borough, said that force was involved in the worst incidents, though he praised the actions of other police.

Mr. Holborow, secretary of the Anti-Nazi League, which took part in the demonstrations, said that he had evidence that Mr. Peach's death was the result of a police charge.

He claimed: "The Nazis are being deliberately provocative in preaching a doctrine advocating forced repatriation in an area where 50 per cent of the population would be affected."

Mr. Holborow said that there would be counter-demonstrations wherever the National Front held meetings.

The Front held one in Plymouth last night in support of its two candidates in that city.

A meeting will be held tonight in East Ham Town Hall. Continued on Back Page

Tory reaction Page 12 • The aftermath of the riot Page 26

## Tory pledge to curb union militants

BY RICHARD EVANS, LOBBY EDITOR

MRS. MARGARET THATCHER warned trade union militants last night that one of the top priorities of an incoming Conservative government would be to curb their powers and the riots to make formal complaints and seek legal advice.

Having carefully avoided too provocative a stance on trade union legislation earlier in the campaign, she brought the sensitive issue to the fore.

She said in Thame's Television interview: "We have got to deal with the chaos caused by some of these militants."

"I do not underestimate the problems, but we have got to deal, all of us, with these militants and we shall."

The exchange, the most passionate from the Conservative leader in the campaign so far, raises the question of who will benefit most from the trade union issue.

Some Labour leaders believe it is the only remaining subject that could salvage their chances and that Mrs. Thatcher is playing into their hands by introducing the prospect of confrontation under a Tory Government.

But the Conservative leader believes there is so much anti-union feeling following the industrial unrest earlier this year that the electorate will fully back changes in the law provided they can be seen to be reasonable.

In her ITV interview Mrs. Thatcher stressed once more the Conservative intention to cut direct taxes substantially—a Tory Budget would probably be on June 12—and argued that much of the cost could be met as earnings would be boosted by bigger incentives, and by high income earners returning to Britain to help provide an additional driving force in industry.

Contrary to Labour claims she insisted that any increases in value-added tax would be "comparatively small" and the change to indirect taxation would help to net some of the substantial earnings in the industry.

It was for this reason she was going to ask for the biggest majority any country had ever given any government and in particular she was going to ask for that majority from the 12m members of trade unions.

"There is so much low affecting trade unions which has deprived ordinary law-abiding citizens of their right to go about their normal business undisturbed. I am on the side of those law-abiding citizens and it is for them that you must change the law."

Mr. Callaghan confirmed last night that the Budget proposals would take 1m people out of the tax net altogether, and he

"destruction of elements" in society, particularly the trade unions, would be met with unrelenting hostility by the Tories.

If the argument in the election was that the law regarding the trade unions could not be changed in any circumstances then in her view it was the end of democracy and the whole campaign was "a hollow mockery and a sham".

It was for this reason she was

## EUROPEAN NEWS

# Aerospace, motor sectors lift French trade surplus

BY TERRY DODSWORTH IN PARIS

STRONG EXPORT performances by the French aerospace and motor industries produced a healthy foreign trade surplus in March, after two months of only slim margins.

The results were helped by a sharp fall in the oil imports bill compared with February, along with another surplus on agricultural products, which are beginning to build up a stronger position in overseas markets.

On a seasonally adjusted basis, last month's surplus amounted to FFr 1.2bn (£133m), with exports reaching FFr 33.5bn, against imports of FFr 32.3bn. The crude figures show exports of FFr 37.3bn, against imports of FFr 36.7bn.

Over the first quarter of the year the French have also succeeded in achieving a surplus of FFr 1.3bn, according to the seasonally adjusted figures.

## NATO looks for new missiles

BY REGINALD DALE IN HOMESTEAD, FLORIDA

NATO OFFICIALS yesterday expressed confidence that the Alliance will decide by the end of this year to strengthen its nuclear forces in Europe. Defence Ministers from eight countries who began a two-day meeting here at Homestead Air Force Base, Florida yesterday morning are expected to call for studies of various kinds of new missiles to prepare for final decisions in December.

Front-runners are an extended-range version of the U.S. Pershing 2 (with a range of 1,800 km) and ground-launched Cruise missiles (around 2,000 km). The aim is to deploy new weapons in western Europe that can strike military targets in the Soviet

Union, so as to counter the growing threat posed by the Soviet SS20 mobile missile.

NATO officials said yesterday that SS20s which can strike anywhere in Western Europe are "growing like mushrooms" in the Soviet Union. They also expected new shorter-range SS21s to be deployed with Warsaw Pact forces in Eastern Europe.

Mr. Fred Mulley, the UK Defence Minister, is expected to come under pressure from his colleagues in NATO's Nuclear Planning Group to agree that some of the new missiles be stationed in the UK. He is unlikely, however, to be able to give such an assurance so soon before the general election.

## Personal income up 1% in March

WASHINGTON — The personal income of Americans rose a full 1 per cent in March after lacklustre gains in the first two months of the year, the Government said yesterday. But the increase of \$18.2bn in personal income last month to a seasonally adjusted annual rate of \$1,850bn did not match the larger gains in the fourth quarter of 1978.

A Commerce Department analyst said the personal income statistics along with other recent Government indicators, show some cooling of the economy.

Recent figures for indus-

trial production, housing starts, factory capacity and retail sales have all shown a rebound in March from winter depressed January and February levels, but none has matched the rapid December rates.

A cooling of the economy could help take the pressure off inflation which has been rising at an annual rate of 15.4 per cent so far this year. The 1 per cent increase in personal income in March followed rises of 0.7 per cent in February and 0.4 per cent in January for a first-quarter rise of 2.1 per cent, Commerce Department figures showed.

Disposable personal income could show stronger increases because higher social security taxes are balanced out by a decrease in personal income taxes.

AP

### Ecuador power plant

Three Japanese companies have signed a \$6bn (£14.2m) contract to build a 343-MW diesel power station in Ecuador for Empresas Electricas Quito, according to Toyo Menko, Kishisha, the prime contractor. Reuter reports from Tokyo.

### OECD chief elected

Mr. Emile van Lennep was re-elected yesterday for a third five-year term as Secretary-General of the 24-nation Organisation for Economic Co-operation and Development (OECD). But Mr. van Lennep, 64, indicated that he would vacate the post after 1980 and a half years, on March 31, 1982, our Paris correspondent writes.

BY SRIJ KHINDARIA IN GENEVA

FRANCE APPEARS to have given up its battle in the Law of the Sea Conference here to obtain heavy penalties including imprisonment for skippers and other people responsible for ships which cause pollution and damage to sea life.

Agreements on principle have

been reached in a committee of the six-year-old conference for ensuring that offenders are punished and that recourse is available for prompt and adequate compensation or other relief whenever their nationals or companies damage the marine environment.

The governments would become "liable in accordance

### FIFTH ANNIVERSARY OF PORTUGAL'S DEMOCRACY



LINE-UP OF LIBERTY: (left to right): Major Vasco Lourenco; Prime Minister Carlos Alberto da Mota Pinto; Sr. Mario Soares; President Antonio Ramalho Eanes. Portugal's fifth anniversary of freedom will only hide the deep problems still facing the country.

## Economic fears cloud the picnic

MAJOR VASCO LOURENCO is hoping for a nationwide celebration today. One of the founder members of the Armed Forces Movement, which five years ago toppled Portugal's half-century dictatorship, Lourenco has been organising popular picnics, concerts, firework displays, and children's parties, the red carnation, symbol of the democratic revolution which backed the "Captains of April" has reappeared almost miraculously on Lisbon's door street walls, more accustomed these days to torn posters and pornography. But the sheer energy of Maj. Lourenco on Portugal's "day of liberty" will make this fifth anniversary little more than an exercise in nostalgia, temporarily hiding the deep problems still facing the country.

In stark contrast to his abrupt sacking of Mario Soares last summer, President Eanes refused the Prime Minister's offer of resignation and publicly reaffirmed his support for the Government, "having taken into consideration the political and economic situation of the country."

Despite provoking the Government's first parliamentary

Portugal was in the midst of negotiations with the International Monetary Fund.

Economic considerations will certainly be in the President's mind when he speaks to the nation today. Despite encouraging figures of Portugal's external financial position—the current account deficit has been reduced from \$1.5bn to \$775m, and there has

aggravated to a point where economic priorities may now have temporarily to take second place, while a more lasting political solution is pursued.

The political parties accept the absence of non-party rule is no longer assured, and President Eanes would have been reminded of this on more than one occasion during his consultations with party leaders last week.

The parties have been angered by the Government's apparent determination to show little, if any, flexibility on its more controversial policies. This determination was first demonstrated on the issue of the proposed 18 per cent wage ceiling, which has been virulently attacked by the majority of political parties and the unions.

But the real catalyst of the growing alienation between Dr. Carlos Mota Pinto's Cabinet and Parliament has been the suggestion aired at the beginning of this month by the Prime Minister that a new political grouping should be formed to bypass party divisions. Dr. Mota Pinto's view that the existing political parties could no longer ensure a stable democratic future touched a sour note among the politicians, who had until then swallowed only the economic front.

On the economic front, President Eanes must have felt that an element of continuity in Government was essential, if only for the reason that the political situation has become

Jimmy Burns, Lisbon Correspondent, sums up the difficulties facing Portugal as the country celebrates today the fifth anniversary of the overthrow of the dictatorship.

defeat, the political parties, with the exception of the Communists, appeared to be far from clear about their intentions, whether or not they wanted Dr. Mota Pinto to carry on.

The Socialists and Social Democrats admitted that they saw no objection to the Government's surviving, as long as it would show some flexibility and introduce the changes they had suggested in its budget and short-term economic plan.

Just over a month ago, Portugal's then four-month-old non-party Government led by Dr. Carlos Mota Pinto, appeared to have survived the psychological blow of its budget defeat in the Parliament and won a temporary lease of life.

been a substantial increase in foreign exchange reserves, the domestic picture is bleak.

Inflation continues to be well above the Government's target of 18 per cent and has yet to feel the effect of the renewal of pending labour contracts.

Unemployment, hit by a fall in industrial activity, is currently running at an annual rate of 13.4 per cent, according to the Government's own official estimates.

Meanwhile, both inflation and the trade balance are yet to feel the repercussions of recent oil price increases.

Yet, if Portugal's economic crisis is far from resolved, with difficulty the democratic credentials of a non-party Government are unchallenged by popular vote.

Widespread suggestions that the "new party" had the Machiavellian motive behind it of nailing the coffin of party rule and ushering in a new era of authoritarianism were fuelled by the subsequent resignation of 37 deputies from Portugal's powerful opposition grouping, the Social Democrat Party.

FINANCIAL TIMES, published daily except Sunday and holidays. U.S. subscription rates \$365.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing centres.

## Forum for world leaders.

When China's Vice Premier Deng Xiaoping landed in Washington recently, the world's balance of power began to change.

Just before leaving China, Deng spoke freely to one American publication about the purpose and significance of his visit.

As had Brezhnev a few weeks before, Deng spoke

exclusively to TIME. Partly because in TIME his ideas would be spread among the leadership community in all the nations important to an emerging China; and partly because TIME has long been recognized as the foremost journal of news in the world.

It is the importance of TIME Magazine—known in any land or language—that gains it entrance to the hard-to-see... and earns it more readers in more countries than any other news magazine.

The news magazine for the internationally minded.

On sale now.

## EUROPEAN NEWS

الأخبار الأوروبية

# Spanish right-winger flees jail after Easter leave

BY ROBERT GRAHAM IN MADRID

ONE OF the alleged murderers of four Communist labour lawyers and an employee of the Spanish Communist Party (PCE) has disappeared after failing to return to jail from special leave to spend Easter with his family.

Although the accused man, Sr. Fernando Lerdo de Tejada, the son of a Toledo landowner, has been missing for several days, the news of his disappearance was only revealed late on Monday night.

The permit for Sr. Lerdo's leave, normally granted only to special prisoners, was signed by Sr. Rafael Gomez Chaparro, the presiding magistrate in what has subsequently become known as the "Atocha massacre," after the Madrid street where the killings took place in January 1977.

The last major hearing on this politically controversial and highly charged case took place last September, when prominent extreme rightists, including Sr. Blas Pinar, now MP for the neo-

Fascist Fuerza Nueva Party, and Sr. Raimundo Fernandez Cuesta, a former minister under Franco and now leader of the Falange, were called as witnesses.

These witnesses were called only after nearly a year's pressure by lawyers acting for the murdered men's families, and on the basis of evidence linking the accused with prominent extreme rightists. That hearing was adjourned after protests at various irregularities. In one case, Judge Gomez Chaparro personally accompanied a witness who had just been questioned to a room where he was able to exchange impressions with Sr. Fernandez Cuesta.

Indeed, Sr. Jose Maria Moledano, one of the lawyers acting for the victims' families, claims that, in an interview on Monday evening, Sr. Gomez Chaparro failed to notify him of Sr. Lerdo's disappearance. He has called for a full investigation into the case, and particularly of Sr. Gomez Chaparro's part in it.

The Atocha murders took place in what was possibly the most critical week faced by the engineers of Spain's transition from dictatorship to democracy. It was preceded by the kidnapping of two prominent Francoists, one a leading general, and followed by the murder of four policemen.

All these actions were attributed to GRAP, a shadowy and allegedly extreme Left-wing terrorist group. However, observers here were surprised, in view of the Spanish police's poor record against terrorism, at the ease with which the two kidnappers were liberated.

The conduct of the Atocha investigations has led to continuous comment and allegations that prominent extreme Rightists are being given privileged treatment, not least by Sr. Gomez Chaparro. Sr. Gomez Chaparro will cease to preside over the case once the preliminary hearings are over, and the case eventually goes to trial.

## Finnish reserves scheme activated

By Lance Keyworth in Helsinki

THE BANK OF FINLAND announced that it has decided to activate the deposit reserve scheme agreed with deposit banks earlier this year. As a first step, the deposit-taking banks must place in a special account with the central bank 0.2 per cent of their total deposits at the end of April.

The first deposit must be made by the end of May and is expected to total about FM 100m (£12.5m). Mr. Mihailo Koivisto, Governor of the Bank of Finland, said that the economic situation does not yet justify actually tightening the money market. "The aim with the deposit reserve scheme is to prevent the money market from getting too easy," he said.

He noted that the easier liquidity situation of the banks has resulted in fierce competition by offering increasingly favourable terms for housing and other consumer credits. "These personal loans tie up banks' funds on a large scale and for a long time ahead, which will complicate the management of liquidity especially if industrial demand for financing picks up," Mr. Koivisto added.

## Y13bn loan for Spanish utility

By John Evans

THE SPANISH electric utility, ENHER, has completed the raising of a Y13bn loan with a final maturity of 18 years, one of the longest maturities yet achieved in the syndicated loan market.

The loan was placed by ENHER (Empresa Nacional Hidroeléctrica del Ribagorza) among a group of Japanese banks and arranged by Chase Merchant Banking Group. ENHER is majority-owned by the Instituto Nacional de Industria, the Spanish Government industrial holding agency. The credit carries a fixed interest rate of 7.7 per cent.

## RELATIONS BETWEEN THE TWO GERMANYS

# Press curbs make Bonn see red

BY LESLIE COLLYN IN BERLIN

Their complaints were echoed by medium-ranking Communist Party officials who are barred from using Western currency for ideological reasons.

A few days later East Germany issued its rules limiting the activities of Western journalists. The Bonn government spokesman protested that the curbs made the Helsinki declaration look like a "worthless scrap of paper."

For West Germany's two TV channels and the remainder of the West German Press it became the leading news item. East Germany responded by accusing West German TV correspondents of arranging "conspiratorial meetings" with East Germans to get them to "act provocatively against the party and state organs of the GDR."

The outraged West German TV networks issued statements deplored such language and West German Opposition politicians demanded that Bonn retaliate against East German correspondents in West Germany.



Chancellor Helmut Schmidt urged to restrict economic relations

Making matters worse, for the leadership, the Russians, too, speaking critically of East Germany's strivings to build Communism with the D-mark.

A few days later East Germany issued its rules limiting the activities of Western journalists. The Bonn government spokesman protested that the curbs made the Helsinki declaration look like a "worthless scrap of paper."

For West Germany's two TV channels and the remainder of the West German Press it became the leading news item. East Germany responded by accusing West German TV correspondents of arranging "conspiratorial meetings" with East Germans to get them to "act provocatively against the party and state organs of the GDR."

The outraged West German TV networks issued statements deplored such language and West German Opposition politicians demanded that Bonn retaliate against East German correspondents in West Germany.

A further escalation took place when West German politicians urged the Government to restrict economic relations

tions with East Germany under such circumstances. East Berlin replied that West Germany had better revise its plan for an underground nuclear waste dump and reprocessing plant at Gorleben close to the East German border. In turn Bonn accused East Germany of planning to store nuclear waste in salt deposits close to the West German border.

Other rancours have come to the surface. East Germany's leading political critic the 80-year-old Marxist professor Robert Havemann said the East German authorities were intensifying his house arrest which began two and a half years ago. In November 1976 Prof. Havemann strongly criticised the expulsion of Herr Wolf Biermann, the East German political poet and balladeer, to West Germany. He had been forbidden to perform or to be published in the East because of his sardonic verses on East German society which circulated among young East Germans.

Several of the most prominent East German authors had joined together to criticise the expulsion of Herr Biermann and were joined by dozens of other East German writers, actors and artists in a unique display of solidarity. The process of expelling them and suppressing those remaining in East Germany by refusing to publish or give them work has continued until today.

One of the first protesters in 1976 was Herr Stefan Heym, perhaps the best known East German writer in the West. None of Herr Heym's recent novels have been published in East Germany but he was allowed to leave the country on trips to the West, a consolation awarded to many top East German artists and writers.

Late last week, however, Herr Heym said he was refused permission to leave East Berlin to lecture in West Germany and added that his wife was being followed by plain clothes security policemen while shopping.

"Now I'm in the same situation as 99 per cent of all other GDR citizens," Herr Heym remarks drily.

## Credit deal threatened as Berlin retaliates

BY OUR BERLIN CORRESPONDENT

EAST GERMANY has cancelled a scheduled meeting with West Germany for today in apparent retaliation for Bonn's protest against East Germany's recent moves restricting Western journalists as well as domestic critics of the Germans.

East and West German officials were to have met in Bonn after a year's break to see if any progress could be made toward a legal aid agreement between the two Germanies.

The negotiations have been stalled over the insistence of West Germany and the refusal of East Germany to include West Berlin in an agreement. West German officials note



## "WHEN I PROPOSED SYSTEM BUILDING, THE RESPONSE WAS OVERWHELMING."

"You know how it is. The decision to have a new building, whether it be a factory, warehouse or office accommodation, can't be taken lightly."

But you see, I'd already done my homework. That's why I knew system building was the best, most cost-effective solution to our problem.

More important, London Brick Buildings Industrial Division offered the best deal. Simply because they take care of all the details, and offer a complete package. We don't even have to get involved with sub-contractors or anything.

As I told the board, that means you are not dealing with unknown quantities. Quite the opposite. You know exactly what you're getting for your budget.

And when I casually threw a few facts and figures at them, they almost fell off their chairs.

In our case, we wanted a 15,000 sq. ft. (1,500 sq. metres) industrial unit and office complex.

London Brick Buildings Industrial Division can do it for a mere £6 per sq. ft. That includes site clearance, foundations, super-structure, roof, walls, doors, windows, internal linings and thermal insulation.

Even better, they'll have the building up within 18 weeks.

They'll even take care of the electrics and decorating if we want. And their permutations of shapes, sizes and finishes will keep your architect happy.

In short, they've got system building off to a fine art. So we'll end up with a good looking, totally functional, permanent building at a down-to-earth price.

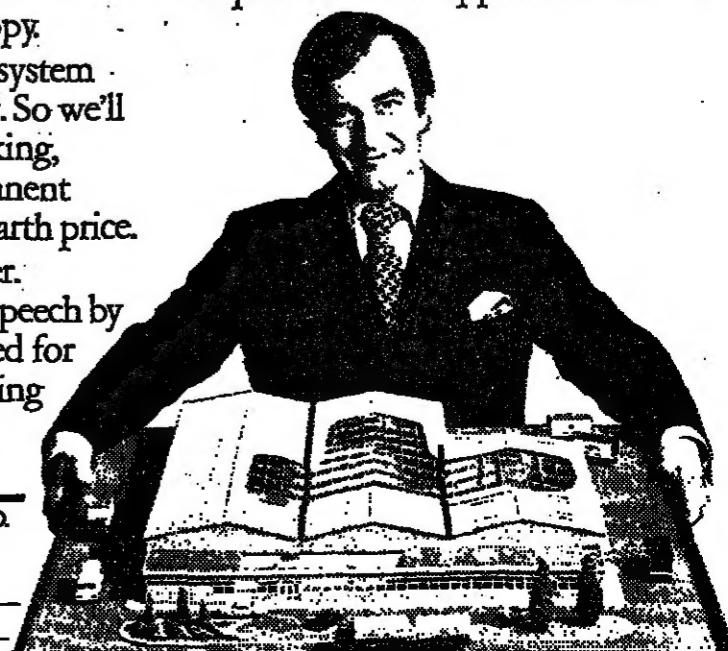
And now the clincher. I wrapped up my little speech by telling them I'd arranged for one of their chaps to bring

in a model to give us some idea of how our new building would actually work and look. It's part of their service.

I almost got a standing ovation for that one. Well, they smiled and nodded anyway.

Now I'll let you into a little secret. You don't have to stay up every night for a fortnight to do your homework. Just make one phone call. Ring Terry Chandler or Brian Thomson on 0203 301307.

They'll take it from there. Or get your secretary to send the coupon and fix an appointment.



**LBBL LONDON BRICK BUILDINGS INDUSTRIAL DIVISION**

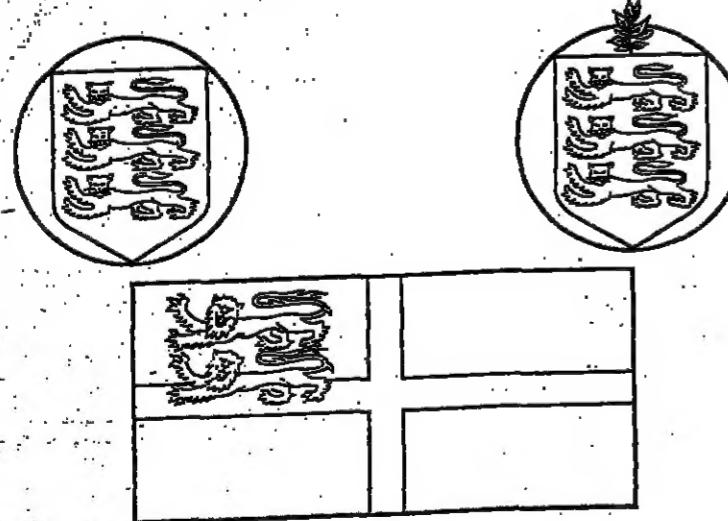
To: London Brick Buildings Industrial Division, 177 Leofric Works, Ryton, Coventry CV8 3ED.  
I would like to talk about system building. Please telephone my secretary for an appointment.

|           |           |
|-----------|-----------|
| Name      | Position  |
| Company   | Address   |
| Post Code | Telephone |

## A FINANCIAL TIMES SURVEY

# Channel Islands

June 11 1979



For further information please contact:

Steve Nevitt

Financial Times, Bracken House, 10 Cannon Street,  
London EC4P 4BY.

Tel: 01-248 4886 (Direct Line). Telex: 885033 FINTIM G.

**FINANCIAL TIMES**  
EUROPE'S BUSINESS NEWSPAPER

The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

## OVERSEAS NEWS

## Lebanon shelled for third day

By Ihsan Hijazi in Beirut

ISRAELI bombardment from land and sea of Palestinian positions in Lebanon continued yesterday for the third day running. Artillery positions in northern Israel pounded the predominantly Moslem town of Nabatiyah and neighbouring villages about nine miles north of the border.

The bombardment came only a few hours after Israeli gunboats shelled the coastline between the two southern ports of Sidon and Tyre. Worst hit was the fishing village of Adloun.

L. Daniel adds from Tel Aviv: Events in southern Lebanon seem to have brought about another change in the timetable for the meeting between Mr. Ezer Weizman, the Israeli Defence Minister, and his Egyptian counterpart, Gen. Hassan Ali.

Mr. Weizman is now due to go to Cairo today for three days. He should have gone to Cairo last Sunday, but the visit was postponed at Israel's request until the first week of May because of the terrorist raid on the Israeli town of Nahariyah.

Meanwhile, it was learned yesterday that Mr. Menahem Begin, the Israeli Prime Minister, intends to ask the Cabinet on Sunday for a reversal of the previous Government's decision not to impose the death sentence on terrorists.

## Carter plan for Egypt takes shape

BY ROGER MATTHEWS IN CAIRO

SAUDI ARABIA'S decision,

announced on Monday, to cut off diplomatic and political

relations with Egypt is a severe blow to President Sadat's Government. Significantly, the Saudis have made no mention of cutting economic relations. However, the U.S. Government appears to have made contingency plans with a "Carter plan" to help Egypt's economy weather the drastic effects of a change of heart by the Saudis on the economic issue.

The plan is beginning to take shape, according to Egypt's national news agency. The Ministry of Industry is reported to have drawn up a provisional list of projects estimated to cost \$12.25bn over five years. It is expected that these will be financed substantially by the

U.S., Western Europe and Japan.

The Ministry list covers both private and public sector projects and the rehabilitation of existing plants. But it concentrates on the public sector which accounts for 90 per cent of industrial output. Spinning, weaving, foodstuffs, chemicals, engineering and mining are identified as areas to which investment should be directed.

Basic allocations for each sector are laid down.

The industrial private sector is expected to require \$750m. The ministry is also looking for the construction of new cement plants and other factories associated with building materials to sustain an ambitious construction programme.

Egypt has budgeted this year

for total investment of about \$3.5bn, an increase of 15 per cent over 1978 which largely reflects the amount by which last year's targets fell short.

There is some anxiety that further failures to meet investment targets, caused often by the slowness of bureaucratic procedures, will result in further tensions within the economy especially as the level of private investment is far lower than might be expected given the rapid increase in disposable income.

Some officials are concerned about the dangerous inflationary effect of attempting to invest too much too quickly and are sceptical about the feasibility of the "Carter plan" even if the proposed donor nations prove willing to make available

the funds. The officials argue that the current programme is as much as Egypt can be expected to absorb.

A major difficulty during the recent period of sharply increased external aid has been to have sufficient projects ready to match the funds available. Until this improves critics of the "Carter plan" fear that any further boost in Western investment will do more harm than good.

Sudan has broken off diplomatic relations with Iraq in protest against an Iraqi Press campaign against Sudan and failure to deliver oil supplies. The decision was announced in a broadcast on Monday night by President Jafaar Nimeiri. Sudan has supported Egypt in its peace negotiations with Israel.

## Muzorewa to head Zimbabwe

By Tony Hawkins in Salisbury

BISHOP ABEL MUZOREWA will become the first black Prime Minister of Zimbabwe-Rhodesia next month after winning 51 of the 72 black seats in the 100-member House of Assembly.

The Bishop's United African National Council (UANC) carried just over 67 per cent of the total votes cast.

Because parliamentary seats are allocated on the basis of proportional representation in the eight electoral provinces, he secured 51 of the 72 black seats giving the UANC an overall majority in both Parliament and the national unity Cabinet.

The Rev. Ndehaheng Sithole's Zimbabwe African National Union (ZANU) came second in the contest between the five black nationalist parties winning 12 seats. With that result it is guaranteed two Cabinet posts in the national unity government as against the Bishop's 10 Cabinet posts.

The Rev. Ndehaheng Sithole's Zimbabwe African National Union (ZANU) came second in the contest between the five black nationalist parties winning 12 seats. With that result it is guaranteed two Cabinet posts in the national unity government as against the Bishop's 10 Cabinet posts.

A party will get one Cabinet post for every five parliamentary seats it holds, in third place was Chief Ndiwe's United National Federal Party (UNFP) with nine seats (one Cabinet post), while Chief Jeremiah Chirau's Zimbabwe United Peoples Organisation (ZUPO) failed to win a single seat.

The result means that Mr. Ian Smith's Rhodesian Front will be the second largest party in parliament with 28 seats (five Cabinet posts).

## Patriotic front tries to heal internal rifts

BY MICHAEL HOLMAN IN LUSAKA

THE FRAGILE UNITY of the Rhodesian guerrilla alliance, the Patriotic Front, is in the balance as its leaders consider proposals for a military and political integration of its two wings, the Zimbabwe African People's Union (ZAPU) and ZANU.

However, serious problems have arisen over allocation of portfolios on the executive committee which would consist of a chairman, secretary-general, and heads and deputies of four departments—external relations, defence and security, finance and administration, and information and publicity.

Mr. Joshua Nkomo, the leader of ZAPU, and Mr. Robert Mugabe, leader of ZANU, are expected to meet the leaders of African frontline States early in May for a second round of talks on the issue within a month. Failure to reach agreement would not only increase fears of civil conflict in Rhodesia. It would also weaken the Front's position at the July summit of the Organisation of African Unity in Liberia where Rhodesia will be a major item.

It is believed here that the two parties remain sharply at odds. The front was formed in 1976 but there is no military unity, and political co-operation has been limited to a joint diplomatic stance during the Anglo-American negotiations, and joint projects such as a survey of skilled manpower requirements in Zimbabwe.

Mr. Nkomo and Mr. Mugabe have already met front-line Presidents in the Tanzanian capital of Dar es Salaam to consider unity proposals. The document which emerged frankly acknowledged that real unity had not been achieved, and this failure had hampered

the front's position at the July summit of the Organisation of African Unity in Liberia where Rhodesia will be a major item.

Although the proposals insist that the heads of all departments have deputies from the other party, ZAPU believes that the allocation favours ZANU, and ZAPU is given what it regards as little more than a public relations and understudy role. Party officials maintain that ZAPU is better armed and funded than ZANU, which they say would benefit considerably under the proposal.

Mr. Nkomo and Mr. Mugabe are unlikely to accept these terms.

"What it boils down to," said one observer who has followed negotiations closely over the past two years, "is that the two parties simply don't trust each other."

## India's A-policy under pressure

BY DAVID TONGE RECENTLY IN BANGALORE



Professor U. R. Rao with a model of APPLE, a communications satellite to be launched in 1980.

"WE WILL never produce nuclear weapons," Indian officials say in unison—and despite India's atomic explosion in 1974, the indications have long been that they are sincere. But this anti-nuclear stand is now under stress following Pakistan's attempts to build a uranium enrichment plant.

The Indians have complained that this move towards developing a bomb with equipment "smuggled" from Britain and the U.S. is cutting off all development aid to Pakistan. All this could make India feel obliged to change policy. Its rapidly developing space programme has put India on a course which, with such a change of policy, could lead it to produce a medium-range ballistic missile.

This July India is due to launch its first home-built rocket which would have "considerable potential military application," according to the International Institute for Strategic Studies (IISS).

Developing a nuclear warhead would require a major diversion of India's present civilian nuclear programme to military ends. It would also require the stock-piling of plutonium and weapon tests. The IISS insists that there is no indication that India has decided on this but suggests that were it to do so, India could expect to have a workable missile by around 1990. But for now the emphasis of space research is on peaceful ends, with considerable local progress made in the field of satellites.

The first satellite built by the Indian Space Research Organisation (ISRO) at Bangalore was launched on a Soviet rocket four years ago. ISRO is now working on the "final stages" of a second satellite. This, too, is to be launched on a Soviet rocket. But in general India is showing that it is more interested in technology than ideology.

It is providing a satellite to be launched next year under the programme of the European Space Agency (ESA)—of which it is the only non-European member. It is also buying a major communications satellite from Ford Aerospace, the space division of the U.S. car company, according to Professor U. R. Rao, director of ISAC, as ISRO's satellite centre is known.

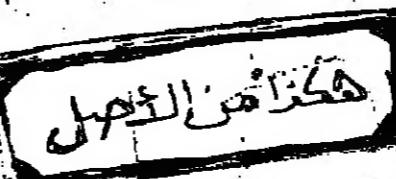
India's first satellite, Aryabhata, was launched in April 1975. The 358-kilogram satellite was sent up with three four-stage

For Marine Midland Bank, this kind of transaction is all in a day's work. We're an international network of bankers doing business in the largest money centers in the world, for the largest corporations in the world, all over the world. So wherever you need us, count on us. You'll get the response that's right for you.

Member FDIC

MARINE MIDLAND BANK

New York City, Buffalo, Miami, Beirut, Bogota, Buenos Aires, Caracas, Frankfurt, Hong Kong, Jakarta, London, Madrid, Manila, Mexico City, Nassau, Panama, Paris, Rio de Janeiro, Rome, São Paulo, Seoul, Singapore, Sydney, Tehran, Tokyo, Toronto.



## AMERICAN NEWS

الجأة

## Windfall profits tax wins favour in Congress

BY DAVID BUCHAN IN WASHINGTON

CONGRESS HAS returned from its Easter recess this week with an apparent majority in favour of some sort of tax on the windfall profit that oil companies will reap when price controls start being phased out from June 1.

This shift from the mood just three weeks ago is confirmed by Congressional leaders: Senator Howard Baker, the Republican leader in the Senate, has said he is now "hard pressed to find anybody who's opposed" to the idea of such a tax.

The change is attributed in part to the steady drumbeat that President Carter has kept up for the levy and to the surge in profits which the companies are already reporting for the first three months of this year. Exxon's first quarter profits rose 37 per cent and Standard Oil of Indiana's profits 28 per cent.

But the tax may bear little relation to Mr. Carter's proposal. Pressure by the oil industry, which has a powerful ally in Senator Russell Long, chairman of the Senate Finance Committee that writes tax legislation, for a "plough back" pro-

vision, allowing companies credit against the tax for profits reinvested in oil exploration and production is rapidly gaining ground.

The President, who explicitly ruled out any such provision out of his tax proposals, said this week that it would reduce the tax to "a charade" and "hoodwink" the public.

"Plough-back" provisions would "provide loopholes so that the oil companies will get another \$4bn or \$5bn on top of the \$6bn they would get under decontrol with an honest windfall profits tax passed."

Mr. Carter has proposed a 50 per cent tax on the difference between current domestic prices and existing world prices, which will close by autumn 1981, and then a further 50 per cent tax on any further OPEC-decreed increases in world prices.

The Administration has given its blessing to Senator Edward Kennedy's plan to introduce into the Senate judiciary committee legislation preventing oil companies buying other companies with assets of more than \$100m.

OFFSHORE EXPLORATION for oil and gas in some of the world's most extreme environments in the Arctic, off the coast of Labrador and between Baffin Island and Greenland, will be pushed to new limits this year as Canada searches for fresh discoveries to supplement its falling onshore reserves.

Finds will have to be on a massive scale, however, if they are to prove commercial because there is no proven technology for producing oil or gas in such hostile regions yet.

Some 280 miles to the east of St. John's, Newfoundland, Imperial Oil, which is 70 per cent owned by Exxon, is planning to drill to a water depth of 3,700 ft, the deepest yet explored off the coast of Canada.

Further north to the east of Baffin Island in the Davis Strait, the company will be drilling to 2,900 ft, while in the shallow Beaufort Sea far above the Arctic Circle and to the east of Alaska, an artificial island is under construction, the biggest yet built, which will serve as a platform for drilling a wildcat exploration well early next year.

The programme off the east coast is expected to cost about C\$55m (£23m) to drill just two wells.

Some gas has been found already in the area by Total and Esso, but nothing which would give hope of future commercial developments.

The waters off Baffin Island and the coast of Labrador can be far stormier than the North Sea, the roughest offshore area from which oil has yet been produced. Water depths are far greater—the deepest water in which a North Sea field is being developed is just over 600 ft. Vessels drilling in the area also face a major threat from icebergs.

The oil company plans to try to tow away smaller icebergs up to about 1m tonnes, but larger icebergs would be too big to be diverted.

Above the Arctic Circle in the Beaufort Sea, to the east of Alaska, the climate offers the biggest challenge. The water is comparatively shallow, no more than 60-70 feet even 50 miles offshore.

Dome Petroleum of Canada is entering its fourth drilling season in the area, exploring concessions in depths of 100-150 ft. A number of conventional drillships will go in during the summer months when the ice temporarily clears to test finds made in 1978. It

is hoped that the ice will be broken through the ice, and the company is reported to have made Canada's biggest oil find.

Imperial has adopted the very

different exploration tactic of

building artificial islands to

serve as platforms, on which

they mount conventional land

drillings rigs. A total of 15

islands have been built since

1973 and 14 wells drilled, in

water depths up to 30 ft. But

this year an island should be

completed in 62 ft of water to

allow a new exploration well to

be drilled further offshore early

next year. This single well is

expected to cost C\$68m, more

than three times the cost of the

most expensive wells drilled in

the North Sea.

In the Beaufort Sea ice grows

to 7 ft thick and temperatures

fall to -55°C. The artificial

islands have to be built to with-

stand the massive pressures of

moving ice, which can form

30 ft ridges around the islands.

Conventional offshore shallow-

water drilling rigs could never

hold together under such

strains, but the artificial islands

allow drilling to go on throughout

the year.

The stock market at least is

convinced the finds are big and

Dome's share price has rocketed.

Company executives are already

talking of transporting oil out

in reinforced tankers that can

break through the ice, and the

company is reported to have

made Canada's biggest oil find.

Imperial has adopted the very

different exploration tactic of

building artificial islands to

serve as platforms, on which

they mount conventional land

drillings rigs. A total of 15

islands have been built since

1973 and 14 wells drilled, in

water depths up to 30 ft. But

this year an island should be

completed in 62 ft of water to

allow a new exploration well to

be drilled further offshore early

next year. This single well is

expected to cost C\$68m, more

than three times the cost of the

most expensive wells drilled in

the North Sea.

In the Beaufort Sea ice grows

to 7 ft thick and temperatures

fall to -55°C. The artificial

islands have to be built to with-

stand the massive pressures of

moving ice, which can form

30 ft ridges around the islands.

Conventional offshore shallow-

water drilling rigs could never

hold together under such

strains, but the artificial islands

allow drilling to go on throughout

the year.

The stock market at least is

convinced the finds are big and

Dome's share price has rocketed.

Company executives are already

talking of transporting oil out

in reinforced tankers that can

break through the ice, and the

company is reported to have

made Canada's biggest oil find.

Imperial has adopted the very

different exploration tactic of

building artificial islands to

serve as platforms, on which

they mount conventional land

drillings rigs. A total of 15

islands have been built since

1973 and 14 wells drilled, in

water depths up to 30 ft. But

this year an island should be

completed in 62 ft of water to

allow a new exploration well to

be drilled further offshore early

next year. This single well is

expected to cost C\$68m, more

than three times the cost of the

most expensive wells drilled in

the North Sea.

In the Beaufort Sea ice grows

to 7 ft thick and temperatures

fall to -55°C. The artificial

islands have to be built to with-

stand the massive pressures of

moving ice, which can form

30 ft ridges around the islands.

Conventional offshore shallow-

water drilling rigs could never

hold together under such

strains, but the artificial islands

allow drilling to go on throughout

the year.

The stock market at least is

convinced the finds are big and

Dome's share price has rocketed.

Company executives are already

talking of transporting oil out

in reinforced tankers that can

break through the ice, and the

company is reported to have

made Canada's biggest oil find.

Imperial has adopted the very

different exploration tactic of

building artificial islands to

serve as platforms, on which

they mount conventional land

drillings rigs. A total of 15

islands have been built since

1973 and 14 wells drilled, in

water depths up to 30 ft. But

this year an island should be

completed in 62 ft of water to

allow a new exploration well to

be drilled further offshore early

next year. This single well is

expected to cost C\$68m, more

than three times the cost of the

most expensive wells drilled in

the North Sea.

In the Beaufort Sea ice grows

to 7 ft thick and temperatures

fall to -55°C. The artificial

islands have to be built to with-

stand the massive pressures of

moving ice, which can form

30 ft ridges around the islands.

Conventional offshore shallow-

water drilling rigs could never

hold together under such

## WORLD TRADE NEWS

## Hitachi to manufacture colour TV sets in U.S.

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

HITACHI ANNOUNCED yesterday that it plans to establish a wholly owned U.S. subsidiary to manufacture TV sets for the American market.

The company, to be called Hitachi Consumer Products of America, will start manufacturing TV sets in August this year at a factory outside Los Angeles. Production is scheduled to reach 7,000 to 8,000 sets per month by January 1980 and at a later stage will be increased to 10,000 sets.

Hitachi decided to go ahead with the establishment of a wholly owned manufacturing venture after the U.S. Justice Department ruled late last year that a projected joint venture with General Electric would violate American anti-trust law. In place of the joint venture Hitachi hopes to negotiate a general agreement on technological exchange with GE. Relations between the two companies remain close despite the Justice Department ruling.

Hitachi stopped shipping colour TV sets to the U.S. from Japan in the spring of last year

(mainly because the yen revaluation was pricing Japanese sets out of the American market). Its two subsidiaries in Taiwan and Singapore have continued to supply the U.S. market with the Taiwan factory shipping 15,000 sets per month and the Singapore plant supplying about 6,000 sets per month during most of 1978.

Hitachi says that over 50 per cent (by value) of the components of its U.S. made sets will be locally procured. Management of the California venture will also be predominantly local with the parent company supplying only the company president and a financial specialist.

Hitachi's move to start making TV sets in the U.S. comes long after similar moves by other Japanese TV manufacturers (including Matsushita, Sony and Sanyo). One reason for the delay appears to have been the success of the company's strategy of offshore manufacture (in Taiwan and Singapore). Restrictions placed on Taiwanese exports to America dealt a serious though not fatal blow to this strategy.

Hitachi executives say they have heard rumours that the U.S. may also shortly ask for Orderly Marketing Agreements with Singapore and Canada, thereby extending the protective barriers surrounding the U.S. industry.

The Los Angeles plant will be located on the same site as the main storage facilities of Hitachi Sales Corporation of America (which will distribute

## Decline in Italian trade surplus

By Paul Betts in Rome

ITALY'S BALANCE of trade last February showed a surplus of £342m (£198.7m) compared with the £300m Saudi Arabia-to-Bahrain causeway. The previous month, according to provisional figures released yesterday by the Italian statistics bureau, ISTAT.

During the first two months of this year the country's trade balance recorded a surplus of £21m against a deficit of £303m in the same period last year.

Official figures also showed an overall balance of payments surplus of £320m last month compared with £183m in March 1978.

However, compared with the overall surplus of £789m in the first quarter of last year, the overall surplus for the first three months of this year declined to £225m.

According to Sig Gaetano Stammato, the Italian Foreign Trade Minister, the country's overall balance of payments surplus this year was expected to be lower than last year's substantial £6,900m surplus.

The main reason for the decline in the surplus, the Foreign Trade Minister said yesterday, was an increase in the volume of imports reflecting the recovery in production and demand and the higher cost of raw materials.

In this respect, the Italian caretaker government is now finalising energy saving measures designed to effect a saving of some 4m tonnes of petroleum this year. Italy's annual energy requirement this year is expected to total some 104m tonnes of petroleum equivalent.

The proposed measures are understood to include increases in electricity rates and in the prices of some petroleum products. The shut down of all petrol stations at weekends and public holidays, restrictions on neon advertising, domestic heating limits and earlier closing hours for offices.

At the same time there are now signs of a revival in inflation, and concern that the country's enlarged public sector deficit could get out of hand as a consequence of the dissolution of parliament and the loss of important draft legislation to correct the structural distortions of the public sector, including the reform of the country's chaotic pension system.

Services of Cardiff, for the Society in conjunction with Imperial Chemical Industries.

Mr. Morrison said that the film had been made so that the attributes of the breed could be seen as they existed on farms. It was intended to show how breeders could testify for potential purchasers that the Hereford was one of the most profitable investments in livestock farming.

## U.S. sportswear push in Europe

BY RHYNS DAVID

DU PONT the U.S. based chemicals and fibre group hopes to secure a big share of the sportswear market in Europe.

Du Pont's stretch fibre Lycra has gained a strong market in Britain and elsewhere in Europe over the past four years and it is already used in track suits, leotards and swimwear. The company intends to manufacture a wider range

of sports wear with the fibre. Du Pont's move is part of an effort to develop new products less susceptible to pressure from imports.

The company has been affected by a fall in demand in Europe over the past four years but it expects spending on sports goods and equipment in the UK to increase by 50 per cent by 1985 to reach £2bn

## Hereford cattle export success

FINANCIAL TIMES REPORTER

GROWING POPULARITY of Hereford cattle had led to their being exported to an increasing number of overseas countries in the past 10 years, it was stated in London yesterday.

At the end of the 1980s the cattle, which feature prominently in Hollywood westerns, were to be found in 45 countries; now they were in 56, including Russia, China, and offbeat islands like St.

Helena. Mr. Tony Morrison, director of the Hereford Herd Book Society, announced this when launching a film about the cattle which is intended to promote the breed as the corner-stone of the international beef industry.

The film, entitled The Hereford—the Breed that Feeds the World, has been produced by Sabre Film and Documentary

annually. The company's plans were outlined yesterday at the Fabrex exhibition at Earls Court by Mr. Peter McMenemy, fibres marketing director. A recent survey had shown, he said, the average person in the UK spent more time at leisure than at work, while more than 20 per cent of the population participated in some form of sport.



## MK Electric Limited

Is very proud to have received the 1979 Queen's Award for export achievement in the company's diamond jubilee year.

We thank all our employees in the United Kingdom and Overseas, and our agents and customers, for making this award possible.



DIAMOND Jubilee 1979

THE LEADING U.K. MANUFACTURER OF ELECTRIC WIRING ACCESSORIES

MK ELECTRIC LIMITED, SHRUBBERY ROAD, EDMONTON, LONDON N9 0PB.

## BAHRAIN-SAUDI CAUSEWAY

## Team seeks World Bank advice

By DONA THOMAS IN BAHRAIN

ON SUNDAY a joint Bahraini-Saudi technical committee in Washington with the pre-qualification bids for the \$1bn (£300m) Saudi Arabia-to-Bahrain causeway. The previous month, according to 80 of the world's international contracting companies are with the Italian statistics bureau, ISTAT.

During the first two months of this year the country's trade balance recorded a surplus of £21m against a deficit of £303m in the same period last year.

Official figures also showed an overall balance of payments surplus of £320m last month compared with £183m in March 1978.

However, compared with the overall surplus of £789m in the first quarter of last year, the overall surplus for the first three months of this year declined to £225m.

According to Sig Gaetano Stammato, the Italian Foreign Trade Minister, the country's overall balance of payments surplus this year was expected to be lower than last year's substantial £6,900m surplus.

The main reason for the decline in the surplus, the Foreign Trade Minister said yesterday, was an increase in the volume of imports reflecting the recovery in production and demand and the higher cost of raw materials.

In this respect, the Italian caretaker government is now finalising energy saving measures designed to effect a saving of some 4m tonnes of petroleum this year. Italy's annual energy requirement this year is expected to total some 104m tonnes of petroleum equivalent.

The proposed measures are understood to include increases in electricity rates and in the prices of some petroleum products. The shut down of all petrol stations at weekends and public holidays, restrictions on neon advertising, domestic heating limits and earlier closing hours for offices.

At the same time there are now signs of a revival in inflation, and concern that the country's enlarged public sector deficit could get out of hand as a consequence of the dissolution of parliament and the loss of important draft legislation to correct the structural distortions of the public sector, including the reform of the country's chaotic pension system.

Services of Cardiff, for the Society in conjunction with Imperial Chemical Industries.

Mr. Morrison said that the film had been made so that the attributes of the breed could be seen as they existed on farms. It was intended to show how breeders could testify for potential purchasers that the Hereford was one of the most profitable investments in livestock farming.

World Bank and other experts up with the cost figure of \$1bn in areas of expertise related to the project.

Although no formal list of hopeful pre-qualifiers has been made public, officials in Bahrain indicate that British contractors, a few Americans, some Japanese and South Korean, are all involved. The highest number of applications for the pre-qualification

turn after two years' stagnation, with the wealthy eastern province of Saudi Arabia. It is hoped in Saudi Arabia that Bahraini skilled manpower will commute to work across the water where skilled indigenous manpower is scarce. Bahrain is slowly moving towards a surplus of educated labour.

An important element in the formation of the 35 consortia is thought to be the involvement of local companies, supplies and labour. The contracting industry in Bahrain, in particular, is in the middle of a recession. The most recent large contract awarded in the island, the \$80m gas gathering and processing facility, included a stipulation to the successful Japanese contractor that local companies be involved where practicable.

There have been periodic doubts as to whether the causeway project would ever go ahead.

At one point in 1977 it was dubbed the channel tunnel of the Gulf, but indications are that the consultants expect to be around for another year which would take the project past the tender award stage.

Saudi Arabia—which amounts to the equivalent of a \$3,000 gift for every Bahraini on the island.

The rationale behind the causeway is economic rather than political, although it is conceded that events in Iran may have concentrated Saudi official minds a little on this particular project.

The causeway will link Bahrain, whose economy is showing small signs of an upturn after two years' stagnation, with the rest of the Gulf.

The U.S. Army Corps of Engineers will hastily gather bids from major U.S. companies to build two Israeli military air bases in the Negev Desert to replace two similar bases in the Sinai that Israel agreed to abandon under its peace treaty with Egypt.

The bases, for which Congress has been asked to allocate \$800m (£400m) are scheduled to operate within three years—a difficult deadline to meet. Major General James A. Johnson, contracting officer for the corps, said similar construction normally would take five to seven years.

Agencies

## China textile talks suspended

WASHINGTON—Negotiations in Peking between the U.S. and China on a textile agreement

contribute to the serious market disruption already existing in the United States.

The statement said "reasonable limitation on this trade is essential and must be achieved promptly, whether by bilateral agreement or through action under long established procedures . . . of the multilateral textile arrangement."

The Carter Administration is undertaking negotiations to limit Chinese exports of textiles to the U.S. as part of an understanding with U.S. textile industry and labour representatives for a new agreement on Tariffs and Trade (GATT).

The joint statement, issued as a press release from the American Textile Manufacturers Institute, said textile "imports from China have continued to

## Japanese win HK civil engineering work

By PHILIP BOWRING IN HONG KONG

KUMAGAI GUMI, the Japanese construction group, has won a \$60m contract for the civil engineering work for Hong Kong's major new coal-fired power station being built by the Kowloon Electricity Supply Company, which is owned by Exxon and China Light and Power.

As earlier announced British companies have won the main orders for the generating and transmission equipment.

The Kumagai success underlines the dominance of Japanese companies in heavy civil

engineering work in Hong Kong. Japanese companies, including Kumagai, recently won the bulk of civil contracts for the extension of Hong Kong's underground railway. These successes have led to complaints from other contractors, especially local ones, that the Japanese are deliberately undercutting them in order to gain a major slice of the market.

Our Seoul Correspondent writes: Bank Brussels Lambert is to provide \$375m (£155m) to the South Korean Government to partly finance the supply of

telephone switchboards and switchboard manufacturing plants.

The telecommunications equipment is to be produced by the Bell Telephone Manufacturing Company of Belgium. A loan commitment was given to a negotiating team from the Korean Economic Planning Board during a visit to Brussels earlier this month.

The Belgian bank has agreed to advance \$276m this year and the remainder in 1980. The amounts will carry an interest rate of 8 per cent.

## Peru woos carmakers

TURIN—The Government of Peru has invited several international automobile companies to bid to construct an automobile and truck assembly plant, according to Fiat.

Peru reportedly asked eight companies besides Fiat to submit proposals for the plant. They were Volvo, Chrysler, General Motors, Ford, Toyota, Nissan, Volkswagen and Renault. Initial negotiations are scheduled to be completed by June.

AP-DJ

## WASHINGTON, D.C. A Renaissance of Graciousness

A luxury hotel in the great European tradition. Elegant, quiet, unruffled—over a convention.

## THE MADISON

Washington's Covert Address  
1356 M Street, NW, Washington, D.C. 20005  
Telex 64245  
or see your travel agent  
Marshall T. Clegg, President

© 1979 The Madison Hotel

Rembrandt, 'Self-portrait' (1631). Rijksmuseum, Amsterdam.



## Rembrandt country is Rabobank country.

Rembrandt found his inspiration in Holland, yet created art with a worldwide appeal. The Centrale Rabobank also finds its inspiration in Holland...

With a strong agricultural background, the Centrale Rabobank heads a cooperative banking organisation with over 3100 offices and a combined balance sheet total of 74.2 billion Dutch gilders, as per December 31, 1978. (US \$ 37.7 billion).

This makes the Rabobank not just one of the largest banks in Holland and one of the 30 largest banks in the world, but also a bank with deep roots in almost all sectors of Dutch economic life.

The Centrale Rabobank is now expanding worldwide with a full range of banking services. To accelerate this expansion, we recently co-founded

the "Unico Banking Group", linking us with five other major European cooperative banks. This, together with the support of London and Continental Bankers Ltd., has strengthened our operations by giving international clients unparalleled on-the-spot service.

In addition, we are active in the Euro-currency and Euro-bond markets. Our international transactions in foreign currencies, Euro-credit loans and participation in new issues, are showing a remarkable growth.

Centrale Rabobank International Division  
Catharijnesingel 20, P.O. Box 8058, Utrecht,  
The Netherlands, Telephone 030-36260, Telex 40200.

Rabobank  
Dutch Masters in Banking.

# Docks board surplus increased to £14.5m

BY LYNTON MCALPIN

THE STATE-OWNED British Transport Docks Board made a pre-tax surplus of £13.5m last year, in spite of a further setback at the port of Southampton, where the net loss more than doubled to £1.7m. The board's surplus compares with £15.2m surplus made in 1977.

Sir Humphrey Browne, chairman of the board, said the port was the major disappointment last year.

Its revenue rose marginally from £29m in 1977 to £30.7m last year. But there were serious problems stemming from industrial disputes. These led to a delay of several months in the opening of the South Africa container terminal.

There had also been attempts by employees at Southampton and at other ports to breach the Government's five per cent pay guidelines.

## Oil groups raise pollution payment

BY SUE CAMERON

THE BIG oil companies have agreed to increase the maximum amount of compensation they will jointly pay for pollution at sea from £19m to £28.5m.

The decision to raise the limit on compensation was taken last week at a meeting of oil companies which contribute to the International Oil Pollution Compensation Fund.

It is understood the big companies agreed to put up the maximum compensation payable from the fund, partly to take account of inflation and partly in recognition of the amount of damage that can be caused by modern supertankers.

The fund, made up of contributions from companies receiving 150,000 tonnes or more of oil a year, was established in 1971, when the £18m figure was set. Compensation from it is payable under conventions adopted by IMCO, the International Maritime Organisation.

The aim is to compensate for damage outstanding after a shipowner has met his liability for oil pollution at sea.

Sir Humphrey said yesterday that Southampton, Hull and Immingham had all settled after agreeing to "specify changes in working practices". The average level gave a total rise in pay of just under ten per cent.

The board's 19 ports produced a gross revenue of £120m last year—compared with £110m in 1977—which yielded a surplus of £29.7m after historic cost depreciation and exceptional units.

The surplus, as a proportion of capital employed, came to 16.9 per cent, just over the 16.8 per cent yield recorded in 1977 and short of the board's aim of being much nearer the Government target of a 20 per cent yield by next year.

There was growth in the volume of all major commodities except timber and food. Timber handled by the board's

ports fell by 7.4 per cent to 1.03m tonnes and food fell by almost 4 per cent to 3.8m tonnes.

But the volume of ore handled rose by almost 8 per cent to 9.2m tonnes, and petroleum products by 1.6 per cent to 41.3m tonnes.

There was a sharp rise in the number of vehicles imported and exported. These rose by almost 15 per cent to 321,000 units compared with 1977.

Increased volume was also recorded in container services, with a rise of almost 5 per cent to 725,000 units.

The growth in the number of passengers through the board's ports was only 2.8 per cent to 3.04m people, a similar growth to the total ship movements, which rose by just over 2.5 per cent to 133,140 vessels.

Sir Humphrey said that the proportion of UK trade handled through the board's ports had increased. But he warned against the use of Government subsidies to aid less efficient ports.

"We are totally opposed to the use of subsidies as a means of keeping port charges below their true economic level," he said. The board is concerned about the position at the Port of London, Bristol and Preston, where subsidies are provided.

RUGBY PORTLAND Cement was yesterday strongly criticised by the Price Commission for its management efficiency and pricing policy.

In a report on the company's 10.9 per cent price increase—already granted under the defunct safeguard regulations—the commission warns that the company's next application for a price increase will be subjected to close scrutiny.

"We shall look very closely to see what genuine improvements the company has set in hand to implement plans to concentrate on improving its management and technical efficiency," the report says.

Rugby Portland last night described the commission's report as "unsatisfactory and inadequate in spite of the enormous amount of effort the company contributed in order to help the commission".

RPC is the holding company for 24 trading subsidiaries in the cement industry. It owns eight quarries which supply chalk, clay and stone to its seven cement-producing works in England.

The commission, in its report, suggests that, until recently, the company had made insufficient effort to draw together at senior management level all the possibilities for improving efficiency and reducing costs.

"We believe the present management accounting and information system could be better used to provide management with a sound basis for systematic improvement," the report says. "The responsibility for cost appraisal and control is distributed across the management functions; but there is no focus at the centre for the production and monitoring of a co-ordinated company-wide programme.

"The company appears to have recognised the need for change and we understand that the technical side of the company is undergoing reorganisation to bring production, engineering and the laboratories under one director to take a central role in planning."

The report says that the company has begun to identify measures which would produce savings in engineering, and technical improvements to existing plant. The commission believes these measures could be developed further and that a more systematic approach to the planning of cost reduction, performance and productivity improvements, both centrally and at plant level, is needed.

In the report on Rugby Portland, the commission says what it regards as "a retrograde step" the adoption earlier this year by the Cement Makers' Federation of a common basing point price.

made in converting plants to more modern processes with higher fuel efficiency, many of the company's problems are of a long-term nature. The report suggests that their solution will require a high rate of change to new technology and a determined and systematic attack on costs."

The commission also believes that management resources, which it claims appear to have been kept deliberately slim, will need to be strengthened in a number of areas.

It was also critical of the cement industry's efforts to bring into effect the changes recommended last year in its report on Associated Portland Cement Manufacturers (now Blue Circle Cement) which is the market leader. The commission said that these prices are better aligned to the cost saving for the consumer, irrespective of their location, should more accurately reflect the costs of manufacture, and that cross-subsidisation with distribution costs should be reduced.

As a matter of urgency, the commission suggests that the industry should reconsider the question of improving the allowances granted to customers who collect cement themselves, so that these prices are better aligned to the cost saving for the producer. Present allowances were considered by the commission to be unreasonably small for those who could collect regularly.

The report also criticises

Rugby Portland for its distribution service was well thought of by customers, the report says, but the commission remained whether it needed to be operated at such a high standard, and whether some minor revisions might produce cost savings.

The company's transport and distribution service was well thought of by customers, the report says, but the commission remained whether it needed to be operated at such a high standard, and whether some minor revisions might produce cost savings.

It did have some good words for the company: "Industrial relations in RPC are harmonious and no instances of industrial action have occurred in recent years. The company has a good absenteeism and labour turnover record."

As a matter of urgency, the commission suggests that the industry should reconsider the question of improving the allowances granted to customers who collect cement themselves, so that these prices are better aligned to the cost saving for the producer. Present allowances were considered by the commission to be unreasonably small for those who could collect regularly.

The report also criticises

Rugby Portland for its distribution service was well thought of by customers, the report says, but the commission remained whether it needed to be operated at such a high standard, and whether some minor revisions might produce cost savings.

It did have some good words for the company: "Industrial relations in RPC are harmonious and no instances of industrial action have occurred in recent years. The company has a good absenteeism and labour turnover record."

And, in deciding not to recommend any restrictions on prices, the commission says it took into account the company's relatively modest level of profitability in recent years. The company's large capital expenditure programme, and the continuing need for cash. In addition, it recognised the time needed — years rather than months — for major action already in hand or proposed, to show up in the financial results.

The Rugby Portland Cement Company — Price Commission report no. 35, HC 346, SO, £1.25.

# Price Commission criticises efficiency and pricing policy at Rugby Portland

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

"We believe the present management accounting and information system could be better used to provide management with a sound basis for systematic improvement," the report says. "The responsibility for cost appraisal and control is distributed across the management functions; but there is no focus at the centre for the production and monitoring of a co-ordinated company-wide programme.

"The company appears to have recognised the need for change and we understand that the technical side of the company is undergoing reorganisation to bring production, engineering and the laboratories under one director to take a central role in planning."

The report says that the company has begun to identify measures which would produce savings in engineering, and technical improvements to existing plant. The commission believes these measures could be developed further and that a more systematic approach to the planning of cost reduction, performance and productivity improvements, both centrally and at plant level, is needed.

In the report on Rugby Portland, the commission says what it regards as "a retrograde step" the adoption earlier this year by the Cement Makers' Federation of a common basing point price.

made in converting plants to more modern processes with higher fuel efficiency, many of the company's problems are of a long-term nature. The report suggests that their solution will require a high rate of change to new technology and a determined and systematic attack on costs."

The commission also believes that management resources, which it claims appear to have been kept deliberately slim, will need to be strengthened in a number of areas.

It was also critical of the cement industry's efforts to bring into effect the changes recommended last year in its report on Associated Portland Cement Manufacturers (now Blue Circle Cement) which is the market leader. The commission said that these prices are better aligned to the cost saving for the consumer, irrespective of their location, should more accurately reflect the costs of manufacture, and that cross-subsidisation with distribution costs should be reduced.

As a matter of urgency, the commission suggests that the industry should reconsider the question of improving the allowances granted to customers who collect cement themselves, so that these prices are better aligned to the cost saving for the producer. Present allowances were considered by the commission to be unreasonably small for those who could collect regularly.

The report also criticises

Rugby Portland for its distribution service was well thought of by customers, the report says, but the commission remained whether it needed to be operated at such a high standard, and whether some minor revisions might produce cost savings.

It did have some good words for the company: "Industrial relations in RPC are harmonious and no instances of industrial action have occurred in recent years. The company has a good absenteeism and labour turnover record."

And, in deciding not to recommend any restrictions on prices, the commission says it took into account the company's relatively modest level of profitability in recent years. The company's large capital expenditure programme, and the continuing need for cash. In addition, it recognised the time needed — years rather than months — for major action already in hand or proposed, to show up in the financial results.

The Rugby Portland Cement Company — Price Commission report no. 35, HC 346, SO, £1.25.

It did have some good words for the company: "Industrial relations in RPC are harmonious and no instances of industrial action have occurred in recent years. The company has a good absenteeism and labour turnover record."

And, in deciding not to recommend any restrictions on prices, the commission says it took into account the company's relatively modest level of profitability in recent years. The company's large capital expenditure programme, and the continuing need for cash. In addition, it recognised the time needed — years rather than months — for major action already in hand or proposed, to show up in the financial results.

The Rugby Portland Cement Company — Price Commission report no. 35, HC 346, SO, £1.25.

It did have some good words for the company: "Industrial relations in RPC are harmonious and no instances of industrial action have occurred in recent years. The company has a good absenteeism and labour turnover record."

And, in deciding not to recommend any restrictions on prices, the commission says it took into account the company's relatively modest level of profitability in recent years. The company's large capital expenditure programme, and the continuing need for cash. In addition, it recognised the time needed — years rather than months — for major action already in hand or proposed, to show up in the financial results.

The Rugby Portland Cement Company — Price Commission report no. 35, HC 346, SO, £1.25.

It did have some good words for the company: "Industrial relations in RPC are harmonious and no instances of industrial action have occurred in recent years. The company has a good absenteeism and labour turnover record."

And, in deciding not to recommend any restrictions on prices, the commission says it took into account the company's relatively modest level of profitability in recent years. The company's large capital expenditure programme, and the continuing need for cash. In addition, it recognised the time needed — years rather than months — for major action already in hand or proposed, to show up in the financial results.

The Rugby Portland Cement Company — Price Commission report no. 35, HC 346, SO, £1.25.

It did have some good words for the company: "Industrial relations in RPC are harmonious and no instances of industrial action have occurred in recent years. The company has a good absenteeism and labour turnover record."

And, in deciding not to recommend any restrictions on prices, the commission says it took into account the company's relatively modest level of profitability in recent years. The company's large capital expenditure programme, and the continuing need for cash. In addition, it recognised the time needed — years rather than months — for major action already in hand or proposed, to show up in the financial results.

The Rugby Portland Cement Company — Price Commission report no. 35, HC 346, SO, £1.25.

It did have some good words for the company: "Industrial relations in RPC are harmonious and no instances of industrial action have occurred in recent years. The company has a good absenteeism and labour turnover record."

And, in deciding not to recommend any restrictions on prices, the commission says it took into account the company's relatively modest level of profitability in recent years. The company's large capital expenditure programme, and the continuing need for cash. In addition, it recognised the time needed — years rather than months — for major action already in hand or proposed, to show up in the financial results.

The Rugby Portland Cement Company — Price Commission report no. 35, HC 346, SO, £1.25.

It did have some good words for the company: "Industrial relations in RPC are harmonious and no instances of industrial action have occurred in recent years. The company has a good absenteeism and labour turnover record."

And, in deciding not to recommend any restrictions on prices, the commission says it took into account the company's relatively modest level of profitability in recent years. The company's large capital expenditure programme, and the continuing need for cash. In addition, it recognised the time needed — years rather than months — for major action already in hand or proposed, to show up in the financial results.

The Rugby Portland Cement Company — Price Commission report no. 35, HC 346, SO, £1.25.

It did have some good words for the company: "Industrial relations in RPC are harmonious and no instances of industrial action have occurred in recent years. The company has a good absenteeism and labour turnover record."

And, in deciding not to recommend any restrictions on prices, the commission says it took into account the company's relatively modest level of profitability in recent years. The company's large capital expenditure programme, and the continuing need for cash. In addition, it recognised the time needed — years rather than months — for major action already in hand or proposed, to show up in the financial results.

The Rugby Portland Cement Company — Price Commission report no. 35, HC 346, SO, £1.25.

It did have some good words for the company: "Industrial relations in RPC are harmonious and no instances of industrial action have occurred in recent years. The company has a good absenteeism and labour turnover record."

And, in deciding not to recommend any restrictions on prices, the commission says it took into account the company's relatively modest level of profitability in recent years. The company's large capital expenditure programme, and the continuing need for cash. In addition, it recognised the time needed — years rather than months — for major action already in hand or proposed, to show up in the financial results.

The Rugby Portland Cement Company — Price Commission report no. 35, HC 346, SO, £1.25.

It did have some good words for the company: "Industrial relations in RPC are harmonious and no instances of industrial action have occurred in recent years. The company has a good absenteeism and labour turnover record."

And, in deciding not to recommend any restrictions on prices, the commission says it took into account the company's relatively modest level of profitability in recent years. The company's large capital expenditure programme, and the continuing need for cash. In addition, it recognised the time needed — years rather than months — for major action already in hand or proposed, to show up in the financial results.

The Rugby Portland Cement Company — Price Commission report no. 35, HC 346, SO, £1.25.

It did have some good words for the company: "Industrial relations in RPC are harmonious and no instances of industrial action have occurred in recent years. The company has a good absenteeism and labour turnover record."

And, in deciding not to recommend any restrictions on prices, the commission says it took into account the company's relatively modest level of profitability in recent years. The company's large capital expenditure programme, and the continuing need for cash. In addition, it recognised the time needed — years rather than months — for major action already in hand or proposed, to show up in the financial results.

The Rugby Portland Cement Company — Price Commission report no. 35, HC 346, SO, £1.25.

It did have some good words for the company: "Industrial relations in RPC are harmonious and no instances of industrial action have occurred in recent years. The company has a good absenteeism and labour turnover record."

And, in deciding not to recommend any restrictions on prices, the commission says it took into account the company's relatively modest level of profitability in recent years. The company's large capital expenditure programme, and the continuing need for cash. In addition, it recognised the time needed — years rather than months — for major action already in hand or proposed, to show up in the financial results.

The Rugby Portland Cement Company — Price Commission report no. 35, HC 346, SO, £1.25.

It did have some good words for the company: "Industrial relations in RPC are harmonious and no instances of industrial action have occurred in recent years. The company has a good absenteeism and labour turnover record."

And, in deciding not to recommend any restrictions on prices, the commission says it took into account the company's relatively modest level of profitability in recent years. The company's large capital expenditure programme, and the continuing need for cash. In addition, it recognised the time needed — years rather than months — for major action already in hand or proposed, to show up in the financial results.

The Rugby Portland Cement Company — Price Commission report no. 35, HC 346, SO, £1.25.

It did have some good words for the company: "Industrial relations in RPC are harmonious and no instances of industrial action have occurred in recent years. The company has a good absenteeism and labour turnover record."

## UK NEWS

## Foundries turn down aid

By ROY HODSEON

A NUMBER of companies in the foundry industry have concluded that trade prospects are too gloomy for them to accept Government aid to modernise their foundries.

The Department of Industry and the National Economic Development Office are concerned that the Government's foundry aid scheme will misfire badly because of the reluctance of the industry to participate.

The chairman of a company which has decided to refuse a grant of nearly £500,000 said last night: "There is no general upturn in demand for castings by British industry and the prospects for the automobile industry look particularly bleak. In the circumstances, we would not be justified in investing several millions of pounds of

our own money sweetened by the Government grant."

The Government inaugurated two separate schemes four years ago to help modernisation and expansion in the ferrous and non-ferrous foundry sectors. A total of £100m was set aside for the grants. So far, £75.5m has been offered to the ferrous foundries as grants towards projects estimated to cost about £350m. The non-ferrous foundries have been offered £14.1m towards schemes costed at about £70m.

## Payments

Schemes for foundry improvements which are not completed by August next year will no longer be eligible for the Government grants offered during the last three years. Interest in proceeding with new foundry investments is waning at such a rate that it is clear that a proportion of the grants offered will be allowed to lapse by companies which secured them.

## Investment plans

Mr. Derek Farrant, director of the Council of Ironfoundry Associations, has given a warning that inflation, coupled with the depressed demand for castings, is hitting members hard. Recently, prices of foundry raw materials have risen much

faster than castings prices. Unofficial estimates suggest that up to £20m of the grants already offered will not be taken.

The Department of Industry has reported that the rate of acceptances of grants by foundry companies has been slowing for some months. One factor restraining investment planning in the industry is the growing knowledge held by companies of their competitors' plans. Details of foundry aid grants offered to individual companies are published from time to time by the Department of Industry.

In the last quarter of 1978, the five biggest foundry aid offers (against which the Government made first payments) were: C. and B. Smith Foundries £584,500, Dupont Foundries £648,150, Qualcast (Derby Foundries) £990,400, GEC Diesels £895,600, and Stone Platt Industries £510,950.

Prospects for the underlying weakness of manufacturing industry is a disturbing indicator for the future when the benefits of North Sea oil begin to recede.

The mechanical engineering industry is important for the UK trade balance as it accounts for nearly 60 per cent of the overall surplus in manufacturing.

Prospects for the next 18 months, however, are far from

good, with the Iranian market which took 3 per cent of the industry's direct exports — virtually lost for the immediate future.

This was due to the road haulage strike, which had cost £65m, increasing fuel costs

and the high initial costs of the company's new £15m ferry, the Connacht.

There are the reasons for the recent proposal to employees that instead of the straight 15 per cent Irish national wages guideline, they accept a package involving each receiving shares in a forthcoming venture, possibly a new ferry due to be ordered during this year.

This is not the first time the company's employees have been asked to help out B and I's finances by forbearance during a wages round.

Three years ago, the company's Irish employees pooled the proceeds of a wages award to form a loan to the financially troubled company. This has been repaid in subsequent years.

Last year's profit was the best in the company's history and was achieved in spite of a series of labour problems.

Turnover rose from £25m in 1977 to £42m last year, resulting in a trading profit of £2.7m, against £2.13m in the previous year.

However, there were two new

codes which were bound to have a major impact covering the transfer of science and technology from the developed to the less developed countries.

Dr. Tacke said that while the transfer of material goods had been to the fore in the past, it is felt as if there would be much greater transfer of non-material resources in future.

## Multinationals 'need controls'

By DAVID FREUD

MULTINATIONAL COMPANIES should co-operate fully with the development of codes and guidelines designed to control them, Dr. Gerd Tacke, former chairman of the West German company Siemens said yesterday.

Dr. Tacke said that multinationals could not prevent the development of guidelines.

"We should, however, fight very hard to ensure that the formulation of the codes allows the greatest possible freedom of entrepreneurial action," he told a lunch, in London, held by the German Chamber of Industry and Commerce in the UK.

There would, he said, be considerable advantages for multinationals in a world-wide accepted code. It would be easier to single out black sheep and stop unfair generalisations about the multinationals.

But the code would have to allow entrepreneurial freedom,

otherwise the multinationals would be unable to speed worldwide growth as they had in the past.

Three codes, under the aegis of either the United Nations or Organisation for Economic Co-operation and Development — had been produced in the last three years.

Dr. Tacke said that while the transfer of material goods had been to the fore in the past, it is felt as if there would be much greater transfer of non-material resources in future.

However, there were two new

codes which were bound to have a major impact covering the transfer of science and technology from the developed to the less developed countries.

Dr. Tacke said that while the transfer of material goods had been to the fore in the past, it is felt as if there would be much greater transfer of non-material resources in future.

There are the reasons for the recent proposal to employees that instead of the straight 15 per cent Irish national wages guideline, they accept a package involving each receiving shares in a forthcoming venture, possibly a new ferry due to be ordered during this year.

This is not the first time the company's employees have been asked to help out B and I's finances by forbearance during a wages round.

Three years ago, the company's Irish employees pooled the proceeds of a wages award to form a loan to the financially troubled company. This has been repaid in subsequent years.

Last year's profit was the best in the company's history and was achieved in spite of a series of labour problems.

Turnover rose from £25m in 1977 to £42m last year, resulting in a trading profit of £2.7m, against £2.13m in the previous year.

However, there were two new

codes which were bound to have a major impact covering the transfer of science and technology from the developed to the less developed countries.

Dr. Tacke said that while the transfer of material goods had been to the fore in the past, it is felt as if there would be much greater transfer of non-material resources in future.

There are the reasons for the recent proposal to employees that instead of the straight 15 per cent Irish national wages guideline, they accept a package involving each receiving shares in a forthcoming venture, possibly a new ferry due to be ordered during this year.

This is not the first time the company's employees have been asked to help out B and I's finances by forbearance during a wages round.

Three years ago, the company's Irish employees pooled the proceeds of a wages award to form a loan to the financially troubled company. This has been repaid in subsequent years.

Last year's profit was the best in the company's history and was achieved in spite of a series of labour problems.

Turnover rose from £25m in 1977 to £42m last year, resulting in a trading profit of £2.7m, against £2.13m in the previous year.

However, there were two new

codes which were bound to have a major impact covering the transfer of science and technology from the developed to the less developed countries.

Dr. Tacke said that while the transfer of material goods had been to the fore in the past, it is felt as if there would be much greater transfer of non-material resources in future.

There are the reasons for the recent proposal to employees that instead of the straight 15 per cent Irish national wages guideline, they accept a package involving each receiving shares in a forthcoming venture, possibly a new ferry due to be ordered during this year.

This is not the first time the company's employees have been asked to help out B and I's finances by forbearance during a wages round.

Three years ago, the company's Irish employees pooled the proceeds of a wages award to form a loan to the financially troubled company. This has been repaid in subsequent years.

Last year's profit was the best in the company's history and was achieved in spite of a series of labour problems.

Turnover rose from £25m in 1977 to £42m last year, resulting in a trading profit of £2.7m, against £2.13m in the previous year.

However, there were two new

codes which were bound to have a major impact covering the transfer of science and technology from the developed to the less developed countries.

Dr. Tacke said that while the transfer of material goods had been to the fore in the past, it is felt as if there would be much greater transfer of non-material resources in future.

There are the reasons for the recent proposal to employees that instead of the straight 15 per cent Irish national wages guideline, they accept a package involving each receiving shares in a forthcoming venture, possibly a new ferry due to be ordered during this year.

This is not the first time the company's employees have been asked to help out B and I's finances by forbearance during a wages round.

Three years ago, the company's Irish employees pooled the proceeds of a wages award to form a loan to the financially troubled company. This has been repaid in subsequent years.

Last year's profit was the best in the company's history and was achieved in spite of a series of labour problems.

Turnover rose from £25m in 1977 to £42m last year, resulting in a trading profit of £2.7m, against £2.13m in the previous year.

However, there were two new

codes which were bound to have a major impact covering the transfer of science and technology from the developed to the less developed countries.

Dr. Tacke said that while the transfer of material goods had been to the fore in the past, it is felt as if there would be much greater transfer of non-material resources in future.

There are the reasons for the recent proposal to employees that instead of the straight 15 per cent Irish national wages guideline, they accept a package involving each receiving shares in a forthcoming venture, possibly a new ferry due to be ordered during this year.

This is not the first time the company's employees have been asked to help out B and I's finances by forbearance during a wages round.

Three years ago, the company's Irish employees pooled the proceeds of a wages award to form a loan to the financially troubled company. This has been repaid in subsequent years.

Last year's profit was the best in the company's history and was achieved in spite of a series of labour problems.

Turnover rose from £25m in 1977 to £42m last year, resulting in a trading profit of £2.7m, against £2.13m in the previous year.

However, there were two new

codes which were bound to have a major impact covering the transfer of science and technology from the developed to the less developed countries.

Dr. Tacke said that while the transfer of material goods had been to the fore in the past, it is felt as if there would be much greater transfer of non-material resources in future.

There are the reasons for the recent proposal to employees that instead of the straight 15 per cent Irish national wages guideline, they accept a package involving each receiving shares in a forthcoming venture, possibly a new ferry due to be ordered during this year.

This is not the first time the company's employees have been asked to help out B and I's finances by forbearance during a wages round.

Three years ago, the company's Irish employees pooled the proceeds of a wages award to form a loan to the financially troubled company. This has been repaid in subsequent years.

Last year's profit was the best in the company's history and was achieved in spite of a series of labour problems.

Turnover rose from £25m in 1977 to £42m last year, resulting in a trading profit of £2.7m, against £2.13m in the previous year.

However, there were two new

codes which were bound to have a major impact covering the transfer of science and technology from the developed to the less developed countries.

Dr. Tacke said that while the transfer of material goods had been to the fore in the past, it is felt as if there would be much greater transfer of non-material resources in future.

There are the reasons for the recent proposal to employees that instead of the straight 15 per cent Irish national wages guideline, they accept a package involving each receiving shares in a forthcoming venture, possibly a new ferry due to be ordered during this year.

This is not the first time the company's employees have been asked to help out B and I's finances by forbearance during a wages round.

Three years ago, the company's Irish employees pooled the proceeds of a wages award to form a loan to the financially troubled company. This has been repaid in subsequent years.

Last year's profit was the best in the company's history and was achieved in spite of a series of labour problems.

Turnover rose from £25m in 1977 to £42m last year, resulting in a trading profit of £2.7m, against £2.13m in the previous year.

However, there were two new

codes which were bound to have a major impact covering the transfer of science and technology from the developed to the less developed countries.

Dr. Tacke said that while the transfer of material goods had been to the fore in the past, it is felt as if there would be much greater transfer of non-material resources in future.

There are the reasons for the recent proposal to employees that instead of the straight 15 per cent Irish national wages guideline, they accept a package involving each receiving shares in a forthcoming venture, possibly a new ferry due to be ordered during this year.

This is not the first time the company's employees have been asked to help out B and I's finances by forbearance during a wages round.

Three years ago, the company's Irish employees pooled the proceeds of a wages award to form a loan to the financially troubled company. This has been repaid in subsequent years.

Last year's profit was the best in the company's history and was achieved in spite of a series of labour problems.

Turnover rose from £25m in 1977 to £42m last year, resulting in a trading profit of £2.7m, against £2.13m in the previous year.

However, there were two new

codes which were bound to have a major impact covering the transfer of science and technology from the developed to the less developed countries.

Dr. Tacke said that while the transfer of material goods had been to the fore in the past, it is felt as if there would be much greater transfer of non-material resources in future.

There are the reasons for the recent proposal to employees that instead of the straight 15 per cent Irish national wages guideline, they accept a package involving each receiving shares in a forthcoming venture, possibly a new ferry due to be ordered during this year.

This is not the first time the company's employees have been asked to help out B and I's finances by forbearance during a wages round.

Three years ago, the company's Irish employees pooled the proceeds of a wages award to form a loan to the financially troubled company. This has been repaid in subsequent years.

Last year's profit was the best in the company's history and was achieved in spite of a series of labour problems.

Turnover rose from £25m in 1977 to £42m last year, resulting in a trading profit of £2.7m, against £2.13m in the previous year.

However, there were two new

codes which were bound to have a major impact covering the transfer of science and technology from the developed to the less developed countries.

Dr. Tacke said that while the transfer of material goods had been to the fore in the past, it is felt as if there would be much greater transfer of non-material resources in future.

There are the reasons for the recent proposal to employees that instead of the straight 15 per cent Irish national wages guideline, they accept a package involving each receiving shares in a forthcoming venture, possibly a new ferry due to be ordered during this year.

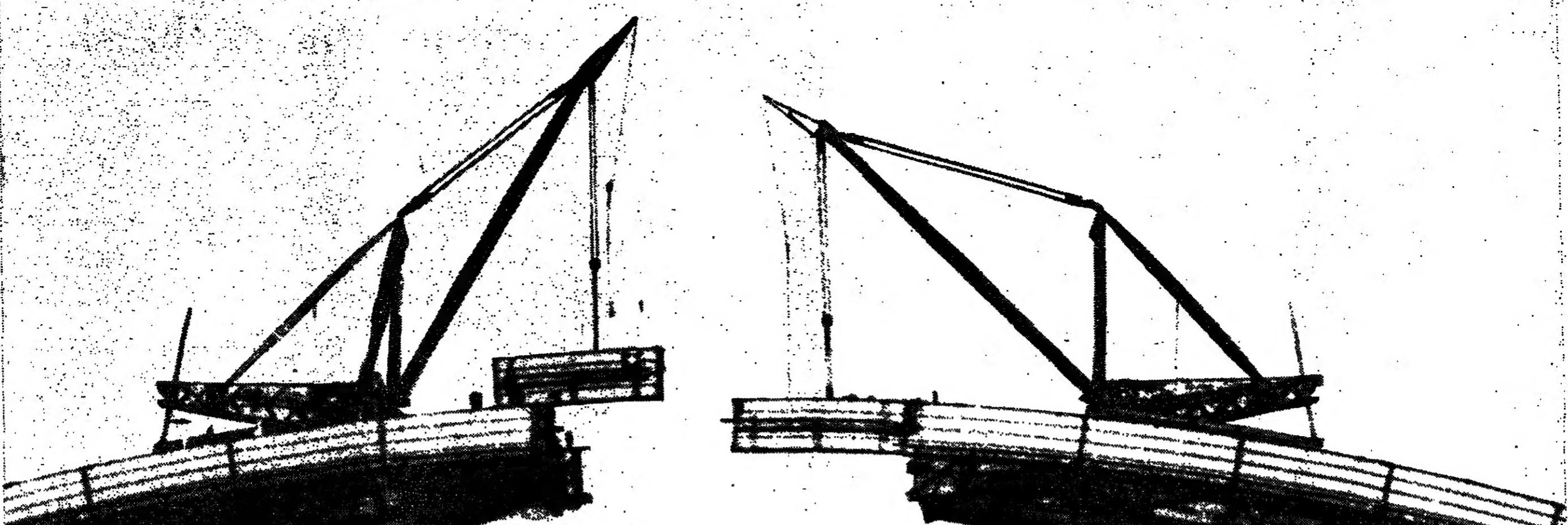
This is not the first time the company's employees have been asked to help out B and I's finances by forbearance during a wages round.

Three years ago, the company's Irish employees pooled the proceeds of a wages award to form a loan to the financially troubled company. This has been repaid in subsequent years.

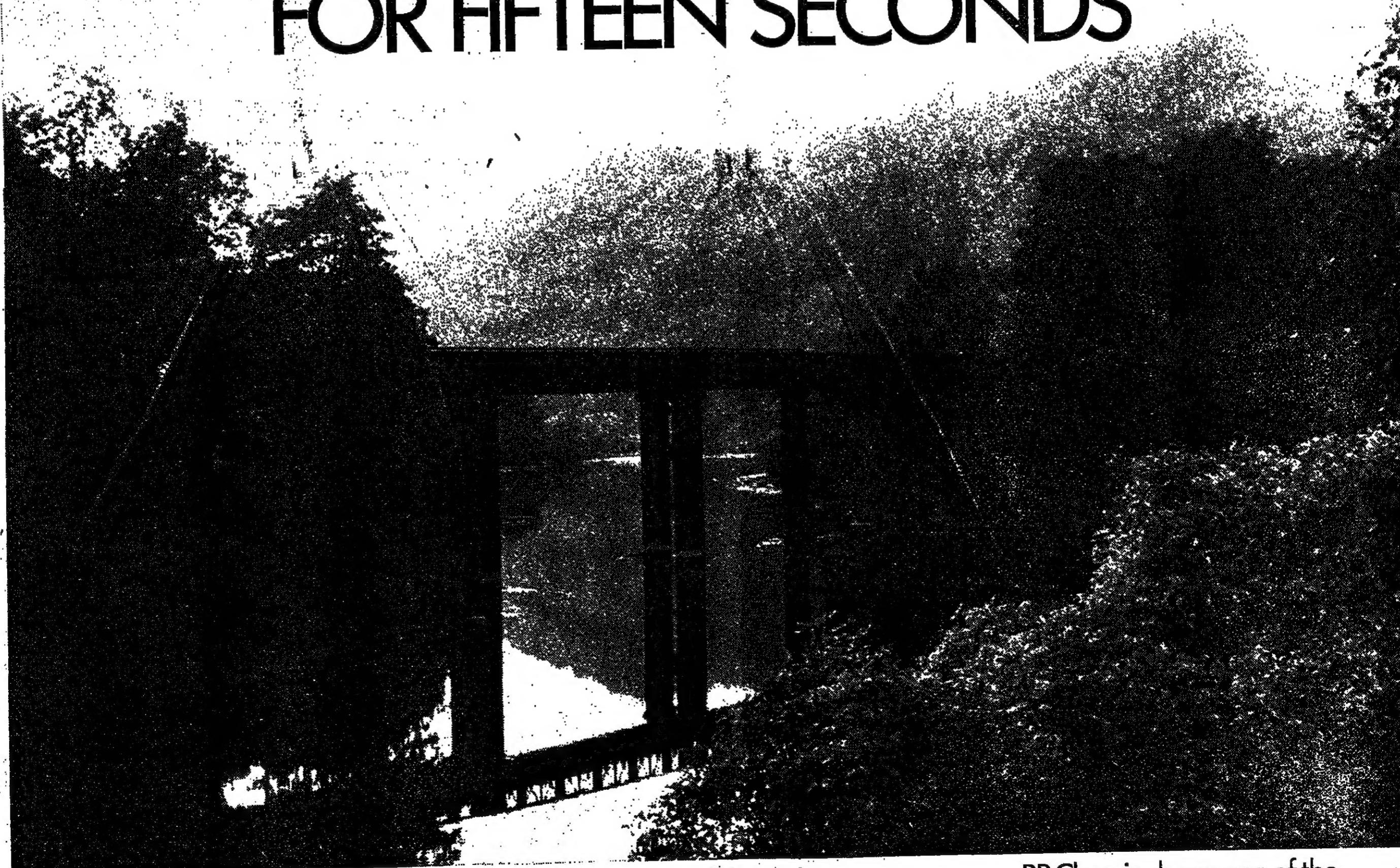
Last year's profit was the best in the company's history and was achieved in spite of a series of labour problems.

Turnover rose from £25m in

مكتاب التعلم



## APPLY ADHESIVE TO BOTH SURFACES AND HOLD FOR FIFTEEN SECONDS



Replacing rivets and bolts with a super glue may seem a little far-fetched. At the moment. But already adhesives are moving into direct competition with traditional methods of joining materials, even in aircraft and car production. Larger structures could be next.

In this revolution BP Chemicals are playing a backroom, but significant part. Adhesives depend on solvents and, using our own basic feedstocks,

we produce one of the widest ranges of solvents in Europe and ensure that they are available when and where they are wanted. Without these vital, versatile products many industries wouldn't be able to produce many of the things the modern world needs—pharmaceuticals, toiletries, paints, detergents, printing inks, brake fluids, to name but a few. Including adhesives.

BP Chemicals are one of the founders of the European petrochemicals industry. Our direct access to the raw materials from within the BP Group provides security of supply.

This, together with our continuing investment in resources, service and product range, ensures that we continue to meet the needs of industry today, and the demands of the world tomorrow.

**BP chemicals-making it all happen**



## UK NEWS

## Optimism on town's jobs outlook

MORE THAN 7,000 new jobs will be created in Peterborough in the next three years, Sir Christopher Higgins, chairman of the Peterborough Development Corporation, said yesterday. It was expected there would be 2,000 new jobs this year, 2,400 in 1980 and 3,000 in 1981.

Sir Christopher said that well over half of the jobs were already guaranteed by the building of a new £25m regional shopping complex, by the setting up of new organisations and by several company expansion schemes.

"The rest will be created by firms coming to occupy factories and offices completed during the three-year period. But even these figures do not take into account the further automatic growth which will take place in service trades, nor the growth of the established firms which can be expected. The employment picture for Peterborough, far from being gloomy, is full of bright promise." The corporation is administering the Government extension scheme for Peterborough.

## Respirator approved

THE Health and Safety Executive has approved the 3M 8800 disposable respirator for use against asbestos dust.

It weighs less than one ounce and can be used in atmospheres containing either "white" or "blue" asbestos.

## Flood appeal

AN APPEAL for funds, launched in York after serious flooding in the city in January, has raised more than £100,000 and helped repair about 400 homes.

## Bus services 'losing millions'

BY LYNTON MCALPIN

BRITAIN'S local bus services are losing millions of pounds a year because of town congestion, the National Bus Company said yesterday.

Mr. Peter Hunt, general manager of the Hants and Dorset Motor Services subsidiary of the state-owned bus company, said many counties ignored the needs of bus users and passengers faced "stark prospects."

He said at a traffic exhibition in Brighton that cars

were often seen as the only solution to traffic problems.

Improvements are possible, however, through the National Bus Company's project for analysing problem areas. This was launched last year and has already shown scope for up to £100,000 savings each year in a single area.

Average bus speeds between stops have been recorded and areas of "very slow peak hour" movement identified.

The company has used the

data with local authorities to plan traffic improvement schemes. These may result in smaller bus fleets, fuel savings and reduced overtime.

Mr. Hunt said: "It is vital that all local authorities start talking brass tacks with bus operators based on this new data."

The project had been finished in 70 areas, but would eventually cover all the

National Bus Company's operations in England and Wales.

The prospect of savings from reduced congestion in towns came a month after the Lorries and the Environment Committee issued a report which said that £10m a year could be saved by cutting delays in street deliveries. The report also said that total high street distribution costs could be halved if companies combined deliveries.

## AA warns of hidden costs in new cars

BY LISA WOOD

MOTORISTS ARE warned today to beware of the hidden costs of a new car.

The Automobile Association, in its magazine Drive, claims that: "Only one in eight British car manufacturers and importers is even remotely forthcoming about the real costs of its new models."

While advertisements could boast a cost of £2,500 for a car, the final on-the-road price of a small family car usually rose by up to £120 with essential extras—road tax, delivery charges and number plates.

The problem, says Drive is that, in newspaper and magazine advertisements, and sometimes in dealers' price lists, the "extras" are in very small print.

The situation seems unlikely to change, says the AA, particularly as a Society of Motor Manufacturers and Traders group, working on a uniform, all-inclusive pricing system, has been disbanded.

Delivery charges, often unspecified, can add between £45 and £70 to the bill, and number plates can cost between £28 and £16.

The magazine has started a regular feature which will provide would-be buyers with a complete on-the-road price guide for new cars.

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

MORE THAN 350 towns and villages with plans for a by-pass are likely to be kept waiting for work to start for at least another 20 years, according to the British Road Federation.

The federation, in a report published yesterday, says that the Government's freeze on road spending, coupled with serious underspending of the budget voted by Parliament, means that thousands of people will continue to be subjected to excessive dirt, noise and vibration from heavy traffic.

The £300m shortfall in spending in the past three years would itself have paid for "an impressive number" of outstanding schemes.

According to the federation, there are 533 named by-pass schemes at some stage of planning, of which only 178 will be built under present Government strategy up to 1990.

The result was that towns like Dorchester, Selby, Tarpole (Cheshire), Warminster (Wiltshire), and Conwy (North Wales) would have to wait longer for relief.

Instead of providing the re-

sources necessary for dealing with the 22 per cent increase in car ownership in the past decade, the Government was switching its resources to subsidies for the railways.

The report also draws attention to a series of before-and-after studies of by-pass building carried out by the Government's Transport and Road Research Laboratory.

These show that the by-

passing of three villages on the A2 in Kent in 1976 produced an 80 per cent drop in village traffic, a 95 per cent drop in heavy lorry traffic and a huge reduction in noise, by between 13 and 15 decibels.

Before the by-pass, 81 per cent of the people in one village said they had to keep their windows shut. After the new road, the figure was 12 per cent.

Disadvantages noted in the

survey were a loss of business for some village shopkeepers, an increase in the speed of traffic and loss of amenity to those in the area of the new road. There was found to be no registerable change in air pollution at the one by-pass site—Tring, Hertfordshire—where tests results are given.

Poss Me By, BRF, 388-396, Oxford Street, London, W1N 9HE.

## Seat design 'causes back trouble'

POORLY-DESIGNED car seats

have been blamed for drivers' back troubles, writes Lisa Wood.

The Automobile Association says a man who spends more than half his working day in a driving seat is three times more likely to suffer back trouble than the average worker.

The AA says the only solution is improved seat design. With the Backpain Association, it has sponsored preliminary research to design a comfort-

able, orthopaedically-approved driving seat.

Dr. Bernard Watkin, a London orthopaedic specialist, says in the article that vehicle manufacturers have not done enough to provide adequate lumbar support and cushion shape.

He believes that second-hand cars are worse than new vehicles because the seats show defects from age long before many parts of the car.

Drive magazine tested six back aids to see whether posture could be improved in new car

seats and counter deformation in used cars.

But Dr. John Teall, medical officer on the London-Mexico and London-Sydney car rallies, told Drive: "None would help to overcome the effects of deterioration, and only two would do the job they're supposed to do for new car seats."

Worst-rated of new cars by the magazine was the Chrysler Avenger, where seats could be "orthopaedically harmful" according to Dr. Watkin.

## Police chief appeals for co-operation

NEIGHBOURHOODS

net governments—can win the war on crime says Devon and Cornwall Chief Constable, Mr. John Alderson.

Mr. Alderson, who launched a do-it-yourself crime prevention campaign last year—Neighbourhoods Against Burglary, says people must get out of the habit of waiting for governments or the courts to solve Britain's problems.

"We must resurrect personal responsibility in communities and go into the 80s prepared to bring about a change, he says.

Radical measures, he says, are needed for policing modern society. "The police are often only the scapegoats for the inability of society to make easy adjustments to ease social tension in the same way that the immigrant may be made the scapegoat for what indigenous groups don't like about their own society."

Crime in the Glasgow-based Strathclyde region has dropped sharply in the past year. Cases of reported crime dropped by more than 12 per cent—a fall of 22,000, says Chief Constable Mr. Pat Hamill in his annual report.

"Preventable" categories of crime like house-breaking and attempted house-breaking, fell by 22 per cent.

## £10m panels for U.S. towers

ATLAS TURNER INC., a Canadian subsidiary of Turner and Newall, has been awarded a five-year contract worth £623m (£10m) for asbestos cement panels for cooling towers at power stations in the U.S. The contract has been placed by Research Cottrell Inc. of New Jersey and deliveries should begin in August.

The Scottish Special Housing Association has awarded a contract valued at £732,000 to UNIT CONSTRUCTION COMPANY for the alteration and modernisation of 86 flats at Powfoot Street/Beattock Street, Parkhead, Glasgow. Work involves some alteration to apartment sizes to produce 92 flat units. Unit Construction has also received a £75,000 contract for the modernisation of 12 houses at Wyndford Drive, Maryhill, from the Scottish Special Housing Association.

The Science Research Council has placed a contract worth £750,000 with INTERNATIONAL COMPUTERS for a 2960 computer. It will provide support for the £80m international infrared astronomy satellite project (IRAS) and serve space research scientists engaged on the project in the U.S., Holland and the UK by means of intercontinental lines.

A contract worth £250,000 has been awarded to UK CONSTRUCTION AND ENGINEERING by Crawford and Russell International. The contract is for the erection of pipework and plant at the BP chemicals factory at Barry, South Wales, for their Nitrile rubber plant.

The Central Electricity Generating Board has placed an order worth over £150,000 with VICKERS design and projects division at Eastleigh for 11kV main generator connections for the new CEGB gas turbine generation station at Cowes, Isle of Wight.

## Simpson PICCADILLY



## Match point

You'll be the winner of any doubles match in this casually elegant pure wool co-ordinated suit by DAKS. Both jacket and trousers in pinpoint, the jacket having a toning overcheck. In brown or green. £159.00.

Simpson (Piccadilly) Ltd, London, W1A 2AS. 01-734 2002. Open until 7.00 p.m. Thursdays, 5.30 p.m. Saturdays.

## Illinois—another word for a good investment

The State of Illinois and the City of Chicago are right in the heart of America. It is one of the most important centers for industry, trade and transportation and is located in the midst of the largest consumer market in the world. Illinois leads in the export of its finished and agricultural goods. This didn't just happen. You see, Illinois has a lot to offer:

A State of Illinois representative will be present at the American Embassy, 24-26 Grosvenor Square, London W1, on May 3rd during the Invest in U.S.A. seminar to be held at the International Marketing Center.

- Unlimited markets
- Transportation network
- Raw materials
- Abundant energy
- Plentiful manpower
- Low taxes
- Excellent living

Over a hundred companies from thirteen European countries have recognized the advantages of investing in Illinois successfully.

Our office for Europe and the Near East is located in Brussels so it's still easier for you to contact us. Location assistance is our task. Just give us a call—our experts are ready and willing.

Illinois...another word for a good investment!

Please send more information.  
Name \_\_\_\_\_  
Firm \_\_\_\_\_  
Street \_\_\_\_\_  
Place \_\_\_\_\_  
State of Illinois - European Office  
Bart A. Smit, Managing Director  
5, Place du Champ de Mars Bte. 14, B 1050 Brussels,  
Telephone 512-01-05



SILVER PAINT & LACQUER CO. LTD.  
Manufacturers of

## HOME CHARM and DELORIA PAINTS

HAVE CROWNED THEIR EXPORT YEAR OF ACHIEVEMENT WITH THE QUEEN'S AWARD FOR INDUSTRY

513, BRADFORD ROAD, BATLEY  
YORKSHIRE TEL 477201

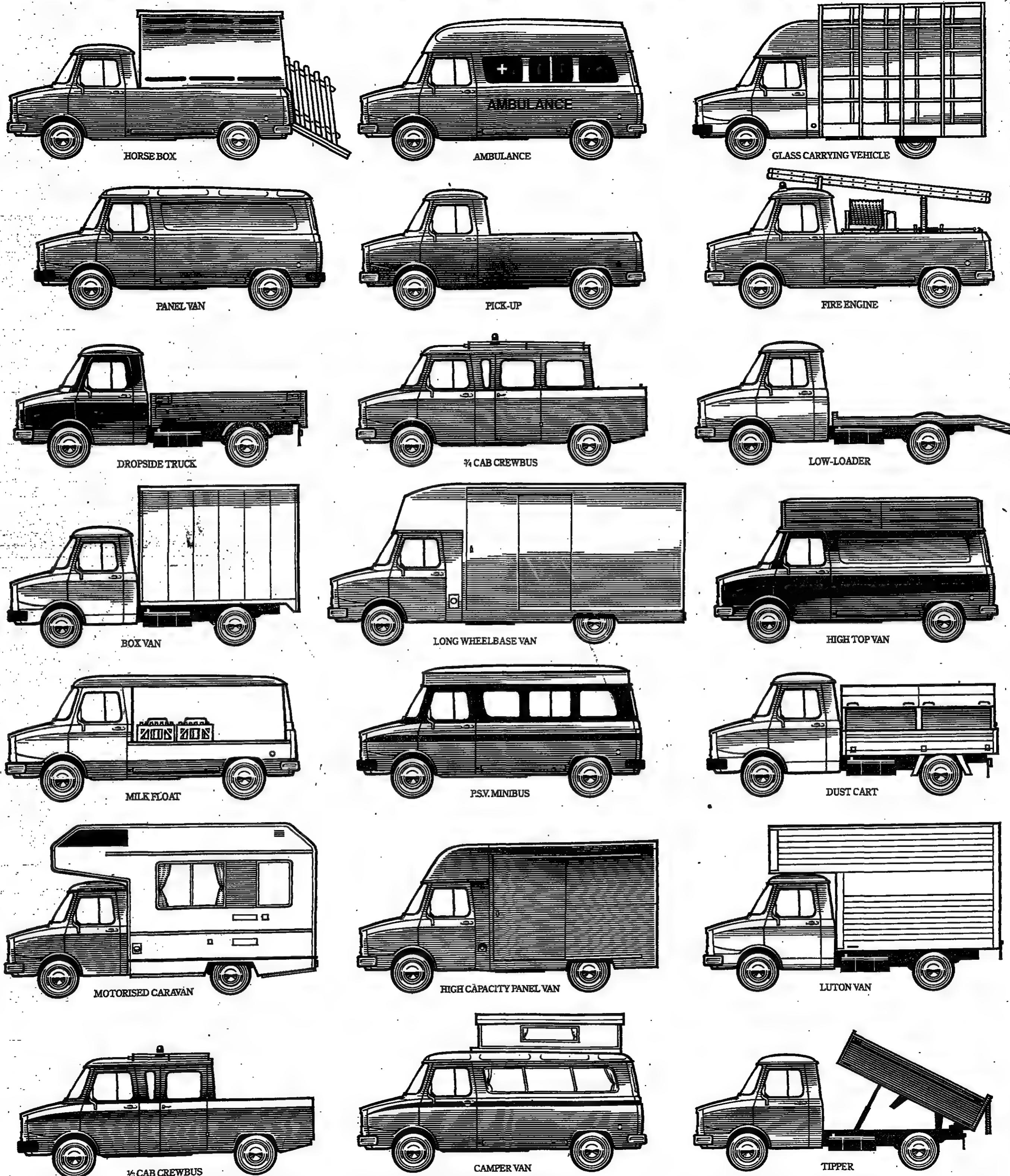


Davy International (Oil & Chemicals) Ltd

8 Baker Street, London W1M 1DA. Tel: 01-486 6677 Telex: 22527

A Davy Corporation Company

# What do people make of the Sherpa?



The popularity of the Sherpa chassis cab has a very good basis. Being the truck-type construction design which uses steel alloy 'U' beams, rigidly braced by jaw ended boxed cross-members.

It's not only an immensely strong chassis, but the fact that it is flat-topped makes it easy to build on.

Whilst integral flanges provide a mounting system that's superior to conventional U-bolts.

The cab is a favourite with drivers. It has a car-

driving position, and is well equipped for comforts.

Two engines are offered: the new O-Series 1700cc petrol engine, from Austin Morris, or the well-proven 1800cc diesel - both available with the option of a GKN Laycock Overdrive.

Approved conversions come with the full protection of Supercover, which, for a fixed amount, is renewable for a second year.

For more information on Sherpa conversions, send off

the coupon below. And you could end up being converted too.

To: Keith Brice, Sherpa Sales Manager,  
Austin Morris Ltd, Grosvenor House,  
Prospect Hill, Redditch B97 4DQ.  
Please arrange to let me have full details  
on the following Sherpa conversion(s)

Name \_\_\_\_\_ Title \_\_\_\_\_  
Company \_\_\_\_\_ Address \_\_\_\_\_  
Tel No. \_\_\_\_\_

**Sherpa**   
From Austin Morris. With Supercover

## UK-ELECTION NEWS

## Bagging the housewife vote

BY EINOR GOODMAN

MRS. THATCHER yesterday went all out for the housewife's vote in the Labour stronghold of Yorkshire, with a whistle-stop demonstration of her skills as grocer's daughter, model shopper and politician.

It culminated in a highly photogenic illustration of the way Labour had reduced the buying power of the pound, which obviously struck a sympathetic note among some women observers.

Though some women claimed to be sceptical about any politician's ability to do anything, others bore out the pollster's finding that many working class women have still not decided how to vote.

Discounting the usual cries of "Isn't she beautiful?" and "Hasn't she got a lovely skin?"

The battered red "Labour

bag" was only half full. With its miniature packet of cereal and pathetically small chocolate bar nestled among a collection of other shrunken packs, it represented, according to Mrs. Thatcher, all that could be bought for a pound today.

She ignored the facts which did not suit her message—such as the explosion in world commodity prices, and the increases stemming from Britain's EEC membership.

In 1970, when Mr. Heath

made his rash promise to cut prices "at a stroke," the Conservatism strategists are obviously aware of the mileage to be gained from going after the woman voters.

But Mrs. Thatcher, showing that she is certainly not going to repeat any of Mr. Heath's mistakes before she even gets to office, was not making any

there was also some evidence that the Conservative organisers may be right in thinking they will win some traditional Labour women voters.

Several older women admitted to be considering deserting Labour for the first time—though it was not clear whether their resolve would last until May 3.

Standing on the steps of the Conservative offices in Halifax, Mrs. Thatcher held up two shopping bags—one blue and bulging, the other red and shrivelled.

The blue "Tory bag," she claimed, contained all the food which could have been bought for a pound when the Tories left office in 1974—including a giant package of cornflakes, a large loaf and a generous bar of chocolate.

The battered red "Labour bag" was only half full. With its miniature packet of cereal and pathetically small chocolate bar nestled among a collection of other shrunken packs, it represented, according to Mrs. Thatcher, all that could be bought for a pound today.

She ignored the facts which did not suit her message—such as the explosion in world commodity prices, and the increases stemming from Britain's EEC membership.

In 1970, when Mr. Heath made his rash promise to cut prices "at a stroke," the Conservatism strategists are obviously aware of the mileage to be gained from going after the woman voters.

But Mrs. Thatcher, showing that she is certainly not going to repeat any of Mr. Heath's mistakes before she even gets to office, was not making any

## Nuclear power plants warning

LIBERALS

yesterday accused

the Labour Government of

trying to rig plans for building

more fast breeder nuclear

reactors.

Mr. David Penhaligon, Liberal candidate for Truro, told the party's press conference that plutonium waste

was being stored in such

quantities that the inevitable

result would be its use as a

fuel in more Windscale-type

reactors.

Liberals would oppose a

nuclear building programme

until a waste disposal method

had been adequately tested

and approved by the public,

he said.

A Royal Commission, he

suggested, should also be set

up to investigate the implications

of plutonium stocks and their future use.

The widespread storage

of plutonium makes the

spread of nuclear weapons to

Third World countries inevita-

ble and makes the loss to

terrorists just a matter of time."

A Royal Commission, he

suggested, should also be set

up to investigate the implications

of plutonium stocks and their future use.

The widespread storage

of plutonium makes the

spread of nuclear weapons to

Third World countries inevita-

ble and makes the loss to

terrorists just a matter of time."

A Royal Commission, he

suggested, should also be set

up to investigate the implications

of plutonium stocks and their future use.

The widespread storage

of plutonium makes the

spread of nuclear weapons to

Third World countries inevita-

ble and makes the loss to

terrorists just a matter of time."

A Royal Commission, he

suggested, should also be set

up to investigate the implications

of plutonium stocks and their future use.

The widespread storage

of plutonium makes the

spread of nuclear weapons to

Third World countries inevita-

ble and makes the loss to

terrorists just a matter of time."

A Royal Commission, he

suggested, should also be set

up to investigate the implications

of plutonium stocks and their future use.

The widespread storage

of plutonium makes the

spread of nuclear weapons to

Third World countries inevita-

ble and makes the loss to

terrorists just a matter of time."

A Royal Commission, he

suggested, should also be set

up to investigate the implications

of plutonium stocks and their future use.

The widespread storage

of plutonium makes the

spread of nuclear weapons to

Third World countries inevita-

ble and makes the loss to

terrorists just a matter of time."

A Royal Commission, he

suggested, should also be set

up to investigate the implications

of plutonium stocks and their future use.

The widespread storage

of plutonium makes the

spread of nuclear weapons to

Third World countries inevita-

ble and makes the loss to

terrorists just a matter of time."

## Steel sees Tory 'flight to disaster'

## Liberals likely to expel Bailey

BY PAUL TAYLOR

THE WELSH Liberal Party is expected to begin formal moves after the election to expel rebel Liberal Mr. Christopher Bailey.

National and Welsh Liberal Party leaders, yesterday expressed shock and annoyance over Mr. Bailey's last minute decision to pull out of the poll in the Prime Minister's Cardiff constituency and urge his supporters to vote Conservative.

The Welsh Liberal Party yesterday issued a statement saying that Mr. Bailey's action was "incompatible with membership." The matter will probably be raised at the next meeting of the party's executive in May when it is likely that formal steps to expel Mr. Bailey will be started.

Mr. Bailey, head of the Cardiff-based Bristol Channel Ship Repairers, should have registered yesterday as the official Liberal candidate in Cardiff South East where Mr. Callaghan is defending a 10,718 majority.

But, following a day of discussions with Mr. Alan Jones, the Conservative candidate, Mr. Bailey failed to register his nomination before the 3 pm deadline on Monday and then issued a statement suggesting that if the Liberals and Conservatives "joined forces" only a 5 per cent swing would be needed to unseat the Prime Minister.

Mr. Bailey recorded 8,008 votes for the Liberals in October 1974.

Mr. Steel, Liberal leader, yesterday accused Mr. Bailey of "deliberately deceiving" his supporters and warned that his tactics would not work.

The Liberal leader said Mr. Bailey was "more interested in publicity than in serious politics" and said, "Liberals would be angered by his tactics which had prevented the nomination of a Liberal in the Cardiff constituency.

Mr. Michael Sted, Liberal president, rejected Mr. Bailey's vote. Tory rise to his Liberal voters. Mr. Sted said Liberal voters in the constituency should make up their minds who to vote for.

There are new Conservative candidates standing in the constituency, including Plaid Cymru, the Communist Party and Miss Pat Arrowsmith, the veteran nuclear disarmament campaigner.

Party strategists were yesterday assisting the likelihood of Liberal voters heeding Mr. Bailey's advice on taking the more critical advice of Liberal leaders.

Mr. Bailey's move is likely to mean a stepping up of the Tory campaign although local constituency workers said yesterday that they were already working "flat out."

Possibilities being considered by Conservative workers include bringing in additional help from other constituencies and arranging more national speakers.

Privately, Conservative workers believe that Mr. Bailey's support had already crumbled and expect his vote to split two to one in favour of the Tories.

Another key factor affecting the vote in Mr. Callaghan's constituency will be the closure last year of the British Steel Corporation's East Moors works, which resulted in the loss of about 3,500 jobs.

## ON THE STUMP

## Restraint transformed to reliability

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

SIR GEOFFREY HOWE, the Conservative shadow chancellor, does not spring to mind as one of your natural hall-fellow-well-met election campaigners. The studious expression, the subdued monotone voice and the relentless use of statistics are hardly calculated to bring the voters flocking in.

All of this probably contributed to the recent RSL opinion poll which set out to discover which members of the shadow Cabinet were best known to the public. Alas, Sir Geoffrey was way down the list with only 16 per cent being able to put a name to his face.

Yet oddly enough his restrained style—which has often been derided at Westminster—turned out to be a major asset on the hustings. Apparently, what is considered dull in the Commons appears to the electorate as a mark of honesty and integrity.

In a tour of marginal seats in Manchester and the North-west yesterday, it was as though the family solicitor had dropped in to give personal advice.

A widow worried about her pension and a woman concerned at the fall in the value of Unit Trust both received his full and sympathetic attention.

The day started inauspiciously with a Press conference in a seedy committee room in the Conservative North-west regional headquarters in Manchester.

The paint was beginning to

peel from the ceiling and wires

drooped from old light fittings. As one wit observed, it certainly showed that the Conservatives are serious about their promise to cut expenditure.

Certainly, Sir Geoffrey sets himself a gruelling pace on the campaign trail. Once the Press

lost the Pressmen trying to keep up with him.

This constituency, which he



Howe chats to regulars in the Blacksmith's Arms

## Is your telex machine crying out to be used more?

"Yes, I am, sob, sob.

It's stupid having me here with my rental paid and not keeping me fully employed.

And I can help you a lot if you use me properly, I really can.

Telex messages can be short and sweet, without any frills.

They're marvellous for figures or quick instructions or requests.

And you know I'll get through in writing straight away.

So I'm unique in combining the authority of a letter with the speed of a phone call.



We're here to help you.

Alcatel

Ba



# KCA INTERNATIONAL

1978 profits increase 39% to £2.742 million

Extracts from the Statement by the Chairman, Paul Bristol, accompanying the 1978 Report and Accounts:-

\* 1978 was a good year for your Company which consolidated on the improvement shown in 1977. Pre-tax profit increased to a Company record of £2,742,000 from £1,975,000, an increase of 39 per cent. This increase was achieved by the good management and the hard work of everyone, particularly the two main subsidiary Companies, KCA Drilling Limited and BW Mud Limited. The reduction of overheads in the Holding Company helped greatly towards this record year. The earnings per share increased from 3.1p in 1977 to 7.1p in 1978.

\* An interim dividend of 0.3p per share was paid in December, 1978, with a final of 0.7p being recommended now, making a total of 1.0p per share for the year. I am hopeful that higher dividends will be possible in the future.

\* Your Company has been planning, over the last few months, an expansion of its base and its activities worldwide, both in drilling and in drilling muds. It has opened representative offices in Rio de Janeiro in Brazil, in Singapore and in Hong Kong and it is hoped that contracts will be secured in those areas during 1979.

\* At home, an agreement has been reached with the French Drilling Company Forasol/Foramer to form a new Company with KCA Drilling Limited which will be based in Aberdeen to bid for new contracts for work in the North Sea and elsewhere.

\* The beneficial effect of our degearing over the previous year on the Company's Balance Sheet shows borrowings down from £15,221,000 to £8,429,000 and after approval at the Extraordinary General Meeting outstanding borrowings will be further reduced to £4,539,000.

The Annual General Meeting and Extraordinary General Meeting will be held at the Intercontinental Hotel, London, on May 7th, 1979. Copies of the Annual Report can be obtained from the Company Secretary, KCA International Limited, 5th Floor, Berkeley Square House, Berkeley Square, London W1A 6BY.

## (Advertisement)

### DKB'S ECONOMIC JOURNAL

April 1979: Vol. 8 No. 4

## Business is recovering in Japan, though there are still uncertainties

The Japanese Government's long-time efforts to spur business from fiscal as well as monetary aspects seem to have been bearing fruit since autumn last year to early this year.

### Firm domestic demand

From the macroeconomic viewpoint, domestic demand has been getting firm. According to the preliminary report on national income statistics announced recently by the Economic Planning Agency, the nation's economy was expanding at a yearly rate of 6.9 per cent, real in the fourth quarter (October-December) of last year. In other words, the gross national product in the fourth quarter rose 1.7 per cent from the preceding quarter in real terms.

Domestic demand rose 3.2 per cent, real from the third quarter, or 13.5 per cent at an annual rate. Among demand factors, public fixed capital formation and private plant and equipment investments in the fourth quarter increased remarkably, recording a gain of 6.4 and 5.7 per cent, respectively, from the preceding quarter. Also, private housing investments and personal consumption expenditures remained firm, recording a 2.1 and 0.8 per cent rise, respectively.

Private inventory investments in the fourth quarter of last year rose 7.8 per cent from the preceding quarter, indicating that inventory adjustments by private business have made a round.

The surplus of the nation on current account, which is almost identical with exports minus imports, plunged 60.0 per cent, nominal from the third quarter, or 24.8 per cent, real. This was largely because of the yen's sharp appreciation against the U.S. dollar, which pushed exports to fall and imports to rise dramatically. The big fall in the external demand thus braked the expansion of GNP.

Reflecting the slowing export/rising import tendency, the nation's surplus in the balance of payments has been steadily narrowing. The seasonally adjusted current account surplus on an International Monetary Fund basis came down to \$228 million in February after recording \$330

million in January, an average of \$738 million in the October-December quarter of last year and an average of \$1,530 million in the July-September quarter.

From the microeconomic viewpoint, business is recovering steadily. According to corporate business statistics, operating profits of all industries in the fourth quarter of last year increased 25.7 per cent from the year-earlier level. The rate of increase was far smaller than the 1.4 per cent in December, last year and the 1.3 per cent in November.

Although industrial activity will remain firm in the coming months, the rising pace will slow down when compared to the performances in late last year.

The mining-manufacturing production index in January rose 0.3 per cent from the preceding month after seasonal adjustment. The rate of increase, however, was far smaller than the 1.4 per cent in December, last year and the 1.3 per cent in November.

The effective job offer to applicant ratio, an indicator of employment, improved to 0.65 in January from 0.60 in the October-December quarter of last year and 0.57 in the July-September quarter. The improvement in business thus is visible also in the labor market.

### Prices

Despite these favorable factors, not a few have misgivings over the future course of business as the uncertain world oil situation triggered by Iranian political unrest has been casting dark shadow on the Japanese economy, which is particularly vulnerable to the oil supply. Moreover, foreign pressures on Japan have been mounting with the approach of the Tokyo Summit.

Government officials, businessmen and economists are uneasy about the movement of prices. The rising tempo of wholesale prices has been gradually accelerating. In February, the nation's wholesale price index showed a 0.9 per cent gain from January, and a remarkable gain of 11.4 per cent annually. Although the February index showed a 0.9 per cent decline from a year earlier, the year-to-year rate shrank for the fourth consecutive month since November, last year. The movement of wholesale prices in the future is highly unpredictable under changing world oil situations.

On the other hand, the movement of consumer prices has been calm. The consumer price index of the Tokyo's metropolitan area in February slipped 0.6 per cent from January and represented a 2.5 per cent rise over a year before. However, consumer prices seem unlikely to remain sharply in the coming months.

## UK NEWS — LABOUR

### Scottish TUC calls for 'defeat of common enemy'

BY CHRISTIAN TYLER, LABOUR EDITOR

THE LEFT AND RIGHT wings of the trade union movement combed in a not entirely unusual oath of allegiance to Labour yesterday as the General Election campaign moved into its last week.

It was symbolic of that unity that Mr. Mick McGahey, who is chairman of the Communist Party of Great Britain, took the rostrum at the Scottish TUC in Inverness to call for a "massive defeat for the common enemy, the Tory Party."

The STUC has steered clear of controversy this year to avoid spoiling Labour's chances. But the Government did not escape criticism for its pay policy and Mr. McGahey was one of several speakers who attacked Labour's record.

Mr. McGahey, president of the Scottish Miners, who has always opposed the possible Tory victory was that Labour had not listened sufficiently hard to the trade union movement. A Labour Government would have to respond much more next time.

It fell to Mr. Geoffrey Drai, of the white collar union NALGO to make this year's unfashionable stand for a free collective bargaining. He said that pay could not be treated as an island from the rest of the economy and defended the concordat's formula of a "broad annual economic assessment".

For trade unionists not to work for Labour would be

like cutting off your nose to spite your face" he said.

Mr. Ray Macdonald, Scottish secretary of the Transport Workers, said that Labour's 5 per cent pay limit had been a mistake.

It fell to Mr. Geoffrey Drai, of the white collar union NALGO to make this year's unfashionable stand for a free collective bargaining. He said that pay could not be treated as an island from the rest of the economy and defended the concordat's formula of a "broad annual economic assessment".

The emergency motion welcoming the concordat and supporting Labour went through without a hand raised against it.

The free collective bargaining motion was carried by a large majority.

### Support for rail pay deal of 12-13%

BRITISH RAIL yesterday edged nearer to agreeing with all three rail unions representing 180,000 workers, on a pay deal of 12 to 13 per cent with higher rises for drivers, top signalmen and signal technicians. It will add £100m to the pay bill.

The offer is acceptable to all but the National Union of Railmen, which is meeting today to discuss it. The NUR is dissatisfied with British Rail's offer to consolidate £2 of the £8 supplement from stage one of the present series of pay controls. The train drivers' union, ASLEF, is prepared to support the NUR in this, but its executive sees the offer as broadly acceptable.

The McCarthy rail tribunal sitting after January's national rail strikes last month, proposed increases of 5 per cent per turn for train drivers. In the board's offer, this becomes part of basic rates, giving an extra 4 per cent, or £2.50 a week, to main-line drivers.

To keep peace between ASLEF and the NUR and preserve differentials, about 1,500 top signalmen and signal and telecommunications technicians are offered £2.50 increases on their basic weekly rates.

In return, the unions have agreed to changes in the running of the new Class 86 freight locomotives and to hold talks designed to include this in existing running agreements. They also have agreed to an experiment with remote controlled locos on some pit-to-power station freight lines, and to computerised methods of scheduling.

The unions also have agreed to negotiate on formalising the running of the High Speed Train and extending the agreement to the Advanced Passenger Train running up to 125 mph. Maintenance workers at BR's Glasgow depot lifted their blocking of the APT last week.

British Rail has failed, however, to settle the question of railway productivity. Instead it has agreed to consider consolidating more of the £8 supplement in the autumn if concrete progress is made.

The overall offer gives new money increases of 9.35 per cent. Consolidation of the national Business Performance productivity scheme into basic rates pushes the overall deal to 12 to 13 per cent. The London weighting allowance is raised and the age for adult pay lowered from 21 to 16.

### Times plans to publish paper in Europe before election

BY PAULINE CLARK, LABOUR STAFF

MANAGEMENT OF The Times said yesterday that it was "planning whatever" to bring out a first edition of its new European weekly before the General Election.

Mr. Sid Haraway, chairman of shop stewards at Ford Dagenham,

said that the figure of 15 compared with 415 in 1976, 325 in 1977, and 246 last year. The issue was "vitally important to the future of the union".

A procession of Left-wing delegates—who are evenly bal-

anced with Right-wingers on this year's national committee—went to the rostrum to protest at the proposal to submit only 15 motions to the conference.

Mr. Duffy replied that leaders of the other three AUEW sections had been invited to discuss arrangements for the conference.

But the extent of the difficulties it will face in producing the

new Times-style paper from a

Federation had asked all affiliated unions not to co-operate in bringing out the paper.

Management denied last night that there had been any suggestion of a compromise on new technology. This followed reports that Mr. Jake Eccleston, chapel father (chairman) had told journalists that a com-

promise was forthcoming on the issue which closed the Times and the Sunday Times last November on whether journalists should be involved in direct input.

Mr. Denis MacShane, NUJ president, called yesterday for The Times to be taken into public ownership.

At the union's annual conference in Ayr, he accused the newspaper's management of having "miserably failed in their public trust". Mr. Duke Hessey, managing director, Lord Thomson and "all the rest of them" should let The Times be taken into public ownership with editorial control "reposing in the hands of journalists as at Le Monde, in France".

The NGA said, meanwhile, that the International Graphics

### Education cuts warning

MR LEN MURRAY, general secretary of the TUC, warned teachers yesterday: "The education service has always been one of the main target areas for a government bent on cutting public expenditure."

The union fears that the planned European project is a short step away from importing the Times back to Britain. But management has said "categorically" that the rest of them "should let The Times be taken into public ownership with editorial control" reposing in the hands of journalists as at Le Monde, in France."

The unions also have agreed to negotiate on formalising the running of the High Speed Train and extending the agreement to the Advanced Passenger Train running up to 125 mph. Maintenance workers at BR's Glasgow depot lifted their blocking of the APT last week.

British Rail has failed, however, to settle the question of railway productivity. Instead it has agreed to consider consolidating more of the £8 supplement in the autumn if concrete progress is made.

The overall offer gives new

money increases of 9.35 per

cent. Consolidation of the

national Business Performance

productivity scheme into basic

rates pushes the overall deal to

12 to 13 per cent. The London

weighting allowance is raised

and the age for adult pay

lowered from 21 to 16.

### Textile imports attacked

TEXTILE TRADE unions have

complained that some com-

panies in the wool textile

industry were using cheap

imported yarn and cloth from

low cost countries.

Some of the materials are

known to have come from the

Argentine and Far East and

union officials saw a direct

parallel with the cotton

industry.

The annual report of the

National Association of

Unions in Textile Trade, based at

Bradford, expressed concern at

the general level of imports in

the past year.

Mr. Fred Dyson, the secre-

tary, said that companies

participating in such trade were

clearly putting the whole

industry at risk for the sake of

slightly lower cost goods in the

short term.

As consumer prices have

been stable, real personal con-

sumption expenditures can be

said to be firm. However, once

consumer prices begin soaring,

there is a strong possibility that

such expenditures will decline in

real terms. Under the cir-

cumstances, it is hard to pre-

dict the future course of per-

sonal consumption expen-

ditures.

Mirroring these moves, or-

ders for machinery, a leading

indicator of private plant and

equipment investments, have

been on an upward curve.

Orders for machinery, ex-

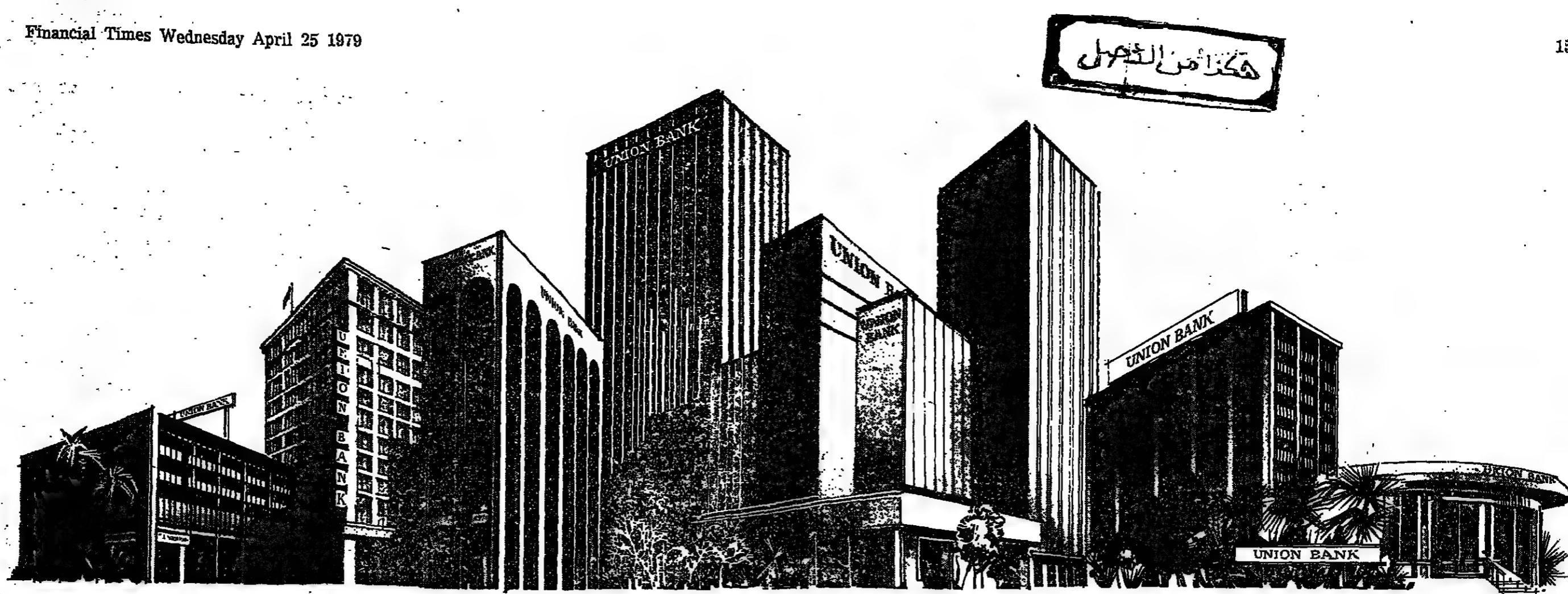
cluding those for ships and

those from the power industry,

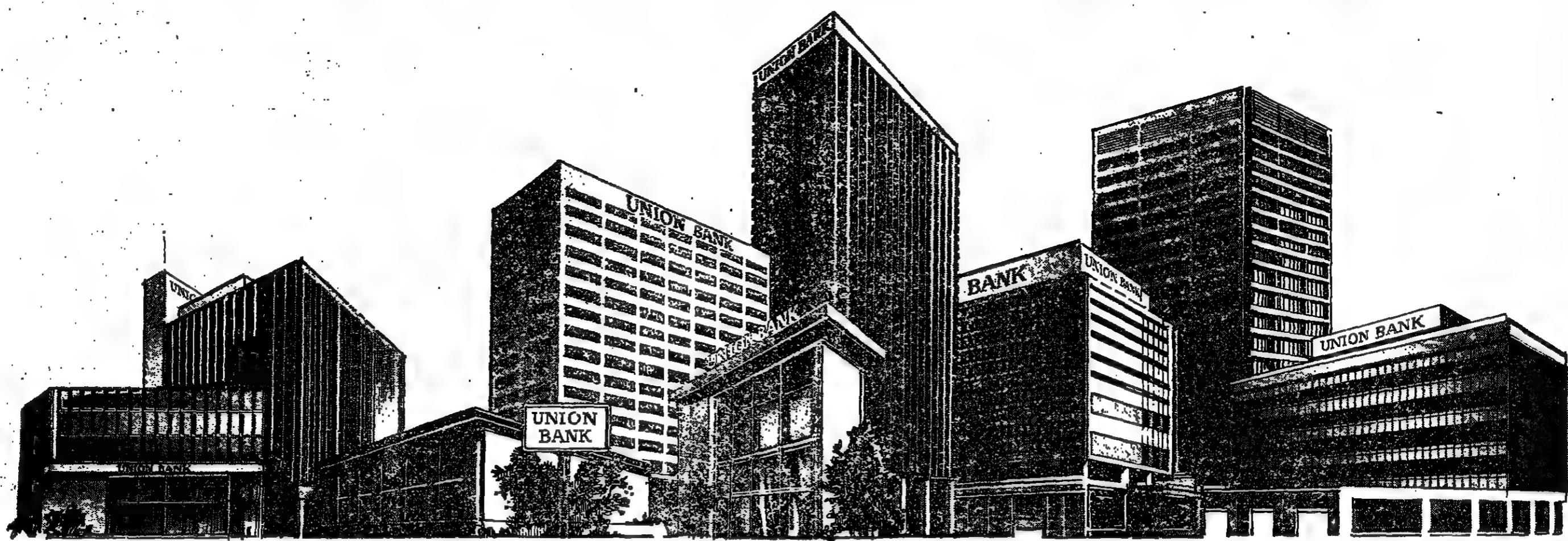
in January rose 3.8 per cent

from the preceding month,

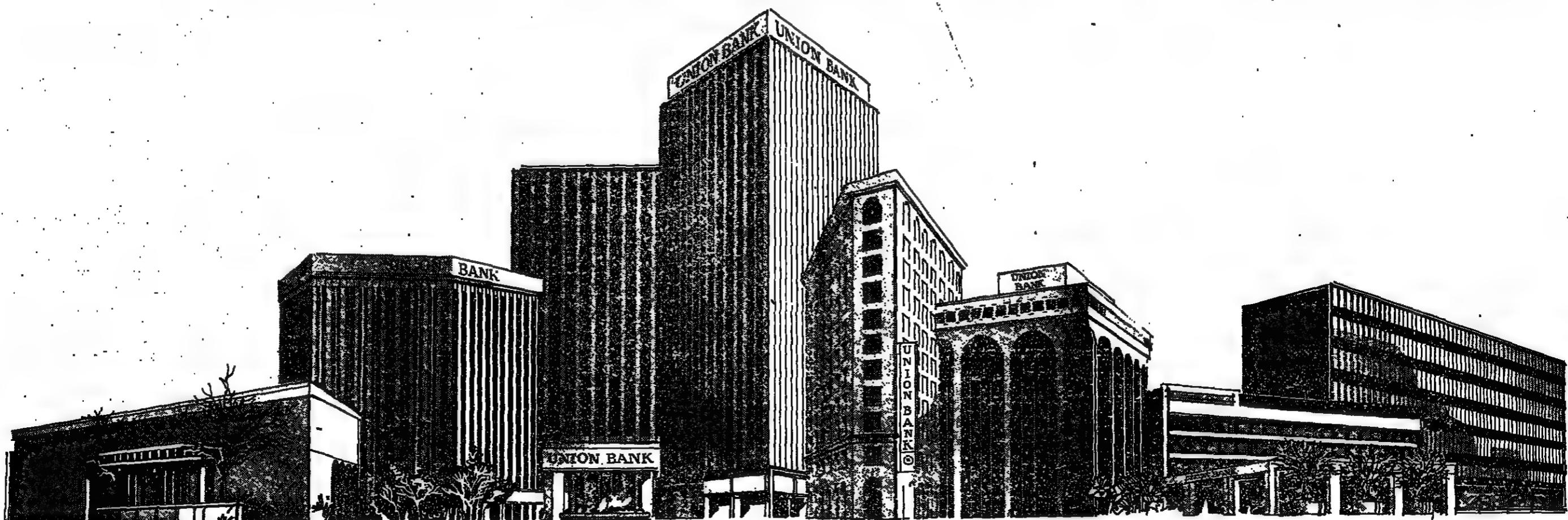
&lt;p



WHERE IN THE WORLD WILL YOU FIND



STANDARD CHARTERED IN CALIFORNIA?



WHEREVER YOU SEE UNION BANK,  
THE NEWEST MEMBER OF OUR GROUP.

In 1964 The Chartered Bank of London opened its doors in California, and today has 36 branches in the State. Now our new and powerful partnership with Union Bank increases the total Group assets to £12,000 million, and adds even further to the service which we offer Standard Chartered customers.

Just part of our worldwide service in 60 countries.  
If you have business with the West Coast, why not ring Keith Skinner now to talk about it on 01-623 7500.



**Standard Chartered  
Bank Limited**  
helps you throughout the world

Head Office: 10 Clements Lane, London EC4N 7AB

Assets £12,000 million



## FAIRCHILD with Gordon AV



### bring you 110 filmstrip, Super 8 film and 35 mm slides with sound.

Fairchild and Gordon together make a powerful team to supply industry and commerce with a wide selection of reliable, robust, selling and teaching aids. Not only do they have the hardware, they have the many ancillary software requirements for your audio visual programmes.

The choice is yours. There's film strip, with total synchronisation of picture and commentary — Fairchild's sensational binary code and microprocessor see to that.

Super 8mm film, with endless loop slot-in cartridges giving bright colour movie pictures, again with high quality sound. The ideal selling tool.

35mm slide projectors, both rear-screen and front projection, complete with cassette tape to record your own sound track, to produce your own AV programmes. Fairchild's tradition and international reputation for reliability, is built into each machine. Gordon AV have a national network of dealers for selling or hiring, as well as offering complete back-up facilities to maintain an excellent after sales service.

Fairchild and Gordon AV — a team to help you sell and to train.

SEE US AT STAND D6  
**AUDIO VISUAL 79**  
Wembley Conference Centre  
April 23rd-26th

**Gordon Audio Visual Ltd.**  
The complete AV consultants

28/30 MARKET PLACE, OXFORD CIRCUS, LONDON W1N 8PH. TEL: 01-580 9191 (10 LINES) TELEX: 264413 GRESHM G.

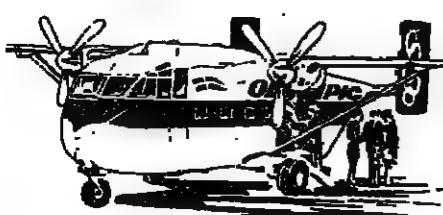


THE QUEEN'S AWARD FOR  
EXPORT ACHIEVEMENT

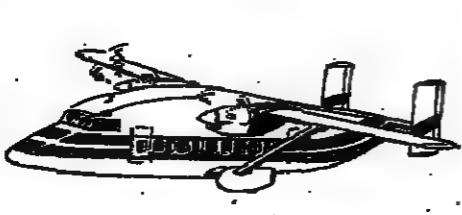
# to Short Brothers Limited for the tenth time.

We are proud to record the receipt  
of our tenth Queen's Award. We won our first in 1967.  
Now, just twelve years later, we are immensely proud to have reached  
double figures.

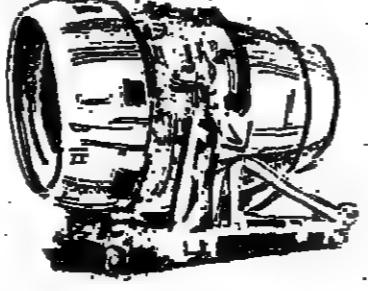
**Last year Shorts contributed over £32,000,000 in export sales to the National Economy.**



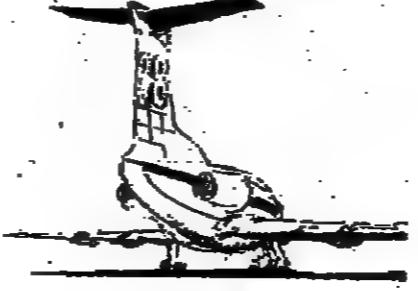
**SKYVAN**  
One of Britain's best-selling aircraft, this versatile light transport is now serving with 40 operators in some 25 countries, flying in a wide variety of civil and military roles.



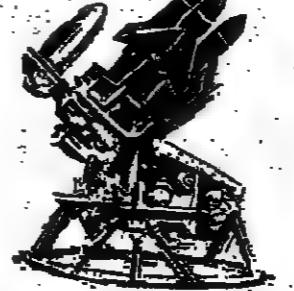
**SHORTS 330**  
Introduced to scheduled service in 1976, the unique 330 wide-body commuterliner has already been selected by 11 major operators in the continental USA, Canada, Europe, Hawaii and the Caribbean.



**ENGINE PODDING**  
Leading European specialists in this high technology field, Shorts are currently engaged on multi-million pound export orders for podding the engines of the Lockheed TriStar and Boeing 747.



**COMPONENTS**  
Major export contracts include wings for the Fokker F.28 Fellowship, landing gear doors for the Boeing 747 and a variety of flight and structural components for the TriStar.



**SEACAT/TIGERCAT**  
Designed and produced by Shorts for close-range anti-aircraft defence, these high-efficiency missile systems have been adopted by the armed forces of 18 overseas nations.



**BLOWPIPE**  
Latest in the Shorts guided weapon range, the Blowpipe supersonic man-portable missile is operational with NATO forces and has already won major export contracts for Britain.

# SHORTS

Aircraft and Missiles

A WINNER IN INTERNATIONAL AEROSPACE

Short Brothers Limited PO Box 241 Airport Road, Belfast BT3 9DZ Northern Ireland.

# Tories have edge over Labour on prices issue

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

A CONSERVATIVE Government would have the edge over Labour in dealing with rising prices, according to consumers questioned in the latest Financial Times survey of consumer confidence published today.

In response to a question as to which party would deal best with prices after the election, 30 per cent felt the Conservatives would do better and 28 per cent thought Labour.

But a quarter of consumers surveyed felt that neither party would be able to handle rising prices, and a further 19 per cent were "don't knows."

In addition, 59 per cent felt that conditions would remain unchanged over the next year, implying a considerable number who feel that the election will make little difference to overall conditions and prices.

The results of this latest survey echo those of last September's, when consumers were asked the same question about both parties' ability to handle inflation. At that time, a similar proportion—30 per cent—felt the Tories would do best, while 28 per cent felt Labour could keep prices in check.

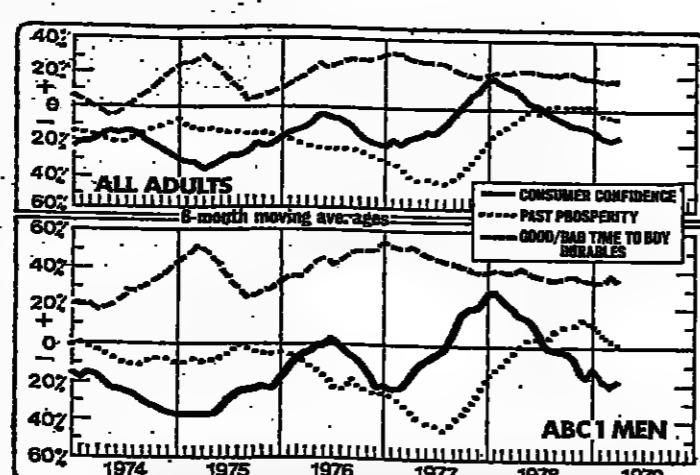
Sampling for this month's survey was carried out from a week after the election announcement until just before Easter, and a sample of 998 adults was interviewed.

## Women differ

Thus, the survey was conducted before Mr. Roy Hattersley, Prices Secretary announced the Government's intention to strengthen the Price Commission if Labour was returned to power. Even so, the survey suggests that the Labour Party has so far failed to persuade consumers that it is better than the Conservatives in controlling inflation—which is one of the key planks in Labour's election campaign.

Analysis of the prices survey shows that the Conservatives drew most support from consumers in the ABC1 social classification, and from the over 55s. Labour's support on this issue came mainly from the under 35s, and from male manual workers. Significantly, however, working class women felt the opposite of men and thought that the Conservatives were more likely to keep prices in check than Labour.

Of the four main geographical



regions, only Scotland and the North-East gave a majority to Labour, while the other three regions supported the Conservatives on prices.

In the main section of the survey, the index for future confidence showed a sharp increase for the second month running, and is at the highest since last April. The survey showed that 20 per cent of consumers expected conditions to improve, while 21 per cent expected them to worsen, giving an index of minus 1 per cent.

Last month the index stood at minus 13 per cent, and, in January, it was minus 27 per cent.

A big increase in the sample, however, was in the proportion of consumers expecting conditions to remain the same—up 8 per cent to 58 per cent. Thus, in the pre-election period, most of those questioned expect no change in conditions, whichever Government is in office.

Increased future confidence by the minority of those surveyed, however, was largely due to a rise in the number of consumers expecting conditions to improve because of a change of government. Mentions of this reason for optimism have increased four-fold since December and is now the main reason, replacing the more nebulous "things must improve" answer.

## Prosperity

The main reason for pessimism is now clearly the issue of rising prices, which is mentioned by nearly twice as

many pessimistic consumers as in January.

But the survey also shows that the election is being fought at a time when consumers' feelings of past prosperity is returning to the high levels reached in the middle of last year.

In the survey, about 30 per cent of consumers felt they were better off than a year ago, while 33 per cent thought they were worse off. This gives an index of minus 3 per cent, compared with minus 9 per cent last month and minus 17 per cent in January.

The April survey also shows that consumers feel that now is a better time than any in the past six months to buy consumer durables and other "big things for the house."

About 48 per cent felt now was a good time to buy, while 24 per cent thought it was not, giving a positive index of 24 per cent.

The index has been steady at 17 per cent for the past two months.

Pre-budget spending to avoid paying higher VAT if the Conservatives are returned to power may be the explanation for this increase.

The survey shows a slight

rise in those expecting unemployment figures to improve—from 13 per cent to 16 per cent—while the same number this month, 38 per cent, expect it to increase. But about half the survey expect the level of unemployment to remain the same.

The survey was carried out by the British Market Research Bureau for the Financial Times.

All these securities having been sold, this announcement appears as a matter of record only.

New Issue / April, 1979

\$200,000,000

# Kingdom of Sweden



The Notes are unconditional, direct and general obligations of Sweden for the payment and performance of which the full faith and credit of Sweden is pledged.

9 1/2% Notes Due 1986

Interest Payable April 15 and October 15

Salomon Brothers

The First Boston Corporation

Merrill Lynch White Weld Capital Markets Group  
Merrill Lynch, Pierce, Fenner & Smith Incorporated

PKbanken

Scandinavian Securities Corporation

Svenska Handelsbanken

Lehman Brothers Kuhn Loeb  
Incorporated

Dillon, Read & Co. Inc.

EuroPartners Securities Corporation

Goldman, Sachs & Co.

Atlantic Capital  
Corporation  
Donaldson, Lufkin & Jenrette  
Securities Corporation  
E. F. Hutton & Company Inc.

Bache Halsey Stuart Shields  
Incorporated  
Drexel Burnham Lambert  
Incorporated  
Kidder, Peabody & Co.  
Incorporated

Blyth Eastman Dillon & Co.  
Incorporated  
Lazard Frères & Co.  
Smith Barney, Harris Upham & Co.  
Incorporated  
Wertheim & Co., Inc.

Loeb Rhoades, Hornblower & Co.  
UBS Securities Inc.  
Dean Witter Reynolds Inc.  
Arnhold and S. Bleichroeder, Inc.  
L. F. Rothschild, Unterberg, Towbin

Basic Securities Corporation

The Bank of Tokyo (Holland) N.V.

Daiwa Securities America Inc.

Robert Fleming  
Incorporated

Hambros Bank  
Limited

IBJ International  
Limited

Kleinwort, Benson  
Incorporated

The Nikko Securities Co.  
International, Inc.

Kredietbank S.A. Luxembourgeoise

New Court Securities Corporation

Orion Bank  
Limited

J. Henry Schroder Wagg & Co.  
Limited

Sparbankernas Bank

Westdeutsche Landesbank  
Girozentrale

Yamaichi International (America), Inc.

The Bank of Bermuda  
Limited

Caisse des Dépôts et Consignations

County Bank  
Limited

Götabanken

Hill Samuel & Co.  
Limited

Samuel Montagu & Co.  
Limited

New Japan Securities International Inc.

Nippon Kangyo Kakumaru International, Inc.

Sanyo Securities America Inc.

Suez American Corporation

Sundsvallsbanken

Vereins- und Westbank  
Aktiengesellschaft

B. Metzler seel. Sohn & Co.

# This big Dodge truck is made for car drivers.



The trouble with some non-HGV trucks is that they're small.

Sometimes, too small.

So whilst they may offer the payload allowance you're looking for, they don't offer the space.

Fortunately, a Dodge 100 Series Commando G08 can measure up to your requirements on all counts. Because this non-HGV 7½ tonner has a long

wheelbase option specially designed to accommodate bigger bodies.

Very often, bodies you're more likely to see on heavier trucks.

For example, a long box van with 1000 cubic feet of fully usable loadspace.

Or a flat platform 18 feet long.

Or a dropside. Again, up to 18 feet long.

And all these bodies require no

extensions to the chassis or modifications to the propshaft. Which not only saves money, but could mean less time off the road.

And your drivers don't need any modifications to their licences. As long as they're over 18, an ordinary car driver's licence is all they need.

Which is only fair. After all, the Commando cab is so modern, so

luxurious, it looks just like a family saloon. Take the Commando for a test drive, and you'll discover that appearances aren't deceptive.

See your Dodge Dealer and ask to try a demonstrator.

Check on price, fast delivery and the 12 months' unlimited mileage warranty.

He's waiting for your call.  
Now.



# DODGE COMMANDO



CHRYSLER  
UNITED KINGDOM

# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## IN THE OFFICE

### Machines for the roving executive

TWO NEW dictation machines, with which Dictaphone is seeking to improve its position in the notetaker end of the dictation equipment market, are to be sold via office equipment retailers and stationers as well as by Dictaphone's own sales force.

Model 125 Dictamite, a new pocket dictation machine, uses standard mini-tape cassette with 15 minutes of recording on each side. The designers are providing facilities normally associated only with desk top machines, however.

For example, the user can put cues on the tape indicating the presence of special instructions for the typist. Cueing is a push-button operation and the typist hears the tones when running the tape back on her desk machine ready to transcribe.

Tones sound when the end of the tape is approaching—or if the user tries to dictate with no tape. An indicator shows the user that he is in record mode, to prevent unwanted erasure of dictation and a locking button

avoids accidental switch-on when the machine is being carried. Another indicator shows the battery state and the machine will not operate if it has run too low. Power is from a nine-volt battery giving five hours of use. An AC mains adaptor can be connected for office work and a rechargeable Ni-cad battery and charger are also available.

To record interviews an extension microphone can be plugged in. The machine's automatic volume adjustment compensates for the speaker's movement or background noise.

Dictamite is smaller than usual for pocket dictation machines. It measures 22 mm by 55 mm by 12 mm (0.86 inch by 2.16 inches by 4.80 inches) and weighs only 270 grams (9.4 ounces).

Its companion desk top machine—the Model 150 Dictamaster—is equipped either for dictation or transcription, or both. Only the accessories need changing from microphone to foot pedal and ear set. It uses the same standard

## METALWORKING

### Aids the estimator

IN MOST machine shop environments, skilled production engineers and methods engineers are employed to decide how best to manufacture the various piece-parts. Once a method has been decided, the production engineer has to estimate the time and resources required, having regard to the machines and tooling available in his particular shop.

Shop loading and scheduling, product costing and production incentive bonus calculations would require these figures and they would be needed also for simulation purposes—to compare manufacture of the same part on different machines, with different tool tips, or by different methods.

Means of estimating vary considerably, and range all the way from a quick guess based on experience, to fully detailed calculation, which accounts for every manual and machine element required.

Pefac is a system that carries

out these calculations with accuracy and consistency. It provides an automatic checklist for the engineer, to make sure that nothing is forgotten, and produces a clear and detailed report at the end which is audit-able.

Comprising a suite of computer programmes and tables of data which are being extended to handle an expanding library of operations, Pefac comprises turning and drilling modules, and will soon be extended to include a milling module. Other modules are planned for completion in the near future.

Calculations are from first

principles, being based on accepted cutting feeds and speeds, so that results can be readily audited. Should a particular shop have some special local requirement, however, this can be accommodated.

This is true whether it concerns

special materials, or special

tools or machine configurations.

Programmes are written in

APL and are interactive. The user sits at a teletypewriter with APL capability, dials into his nearest concentrator over the normal post office network, and obtains immediate access to the system. Pefac is resident on LP. Sharp's bureau machine in Toronto, Canada, and is continuously available except for a few hours at the weekend.

Power Engineering is at Peal House, 108 Horseshoe Road, London SW1P 2EF

OF INTEREST to advertising and marketing men, the Newsscanner Mark 1A is a moving light emitting diode display of two inch high characters in a housing measuring 38 x 5 x 6 inches.

Likely to find application in all kinds of retail outlets, banks, airports, and other public places, the system is programmed from a separate plug-in keyboard to hold and display any message up to 150 words long. The programmer is a simple keyboard device

measuring only 12 x 8 x 4 inches, and it is possible to alter individual characters and words on a "hunt and peck" basis until the message is as desired. The keyboard can be connected to the mainframe computer within a single terminal.

Basic equipment is two displays with keyboards, two dual floppy disc drives and one correspondence-quality printer.

In addition, it has Wordstar Manager, a suite of word processing programs produced by Dataskill, currently available to the ICL 1800 series, 2000 DME machines and 2803/4 ranges.

Alternatively, the system can use terminal executives available on the ICL 7500 intelligent terminal series.

In stand-alone mode, the 7700 information processor provides text input, editing, storage and printing facilities.

ENCOURAGED by sales of

12,000 of its mark one machine, with 80 per cent of its sales

now going to overseas markets, Nascom Microcomputers of 121 High Street, Berkhamsted, Herts HP4 2DZ (04427 74347) has launched the more powerful mark 2.

This is also based on the Z80 eight bit central processor, orders for which have been placed by the company with Mostek totalling \$1.5m.

Housed on a 12 x 8 inch card, the computer has 20k of

addressable memory and can run at 1, 2 or 4 MHz. The on-board universally addressable receiver/transmitter (UART) provides serial handling for the on-board cassette interface or for the RS232/20mA teletypewriter interface. The input and output sides of the UART are independently switchable between any of the options.

An expanded 67 key LicoN solid state keyboard can be supplied, manufactured specifically for Nascom.

ENCOURAGED by sales of

12,000 of its mark one machine, with 80 per cent of its sales

now going to overseas markets, Nascom Microcomputers of 121 High Street, Berkhamsted, Herts HP4 2DZ (04427 74347) has launched the more powerful mark 2.

This is also based on the Z80 eight bit central processor, orders for which have been placed by the company with Mostek totalling \$1.5m.

Housed on a 12 x 8 inch card, the computer has 20k of

addressable memory and can run at 1, 2 or 4 MHz. The on-board universally addressable receiver/transmitter (UART) provides serial handling for the on-board cassette interface or for the RS232/20mA teletypewriter interface. The input and output sides of the UART are independently switchable between any of the options.

An expanded 67 key LicoN solid state keyboard can be supplied, manufactured specifically for Nascom.

ENCOURAGED by sales of

12,000 of its mark one machine, with 80 per cent of its sales

now going to overseas markets, Nascom Microcomputers of 121 High Street, Berkhamsted, Herts HP4 2DZ (04427 74347) has launched the more powerful mark 2.

This is also based on the Z80 eight bit central processor, orders for which have been placed by the company with Mostek totalling \$1.5m.

Housed on a 12 x 8 inch card, the computer has 20k of

addressable memory and can run at 1, 2 or 4 MHz. The on-board universally addressable receiver/transmitter (UART) provides serial handling for the on-board cassette interface or for the RS232/20mA teletypewriter interface. The input and output sides of the UART are independently switchable between any of the options.

An expanded 67 key LicoN solid state keyboard can be supplied, manufactured specifically for Nascom.

ENCOURAGED by sales of

12,000 of its mark one machine, with 80 per cent of its sales

now going to overseas markets, Nascom Microcomputers of 121 High Street, Berkhamsted, Herts HP4 2DZ (04427 74347) has launched the more powerful mark 2.

This is also based on the Z80 eight bit central processor, orders for which have been placed by the company with Mostek totalling \$1.5m.

Housed on a 12 x 8 inch card, the computer has 20k of

addressable memory and can run at 1, 2 or 4 MHz. The on-board universally addressable receiver/transmitter (UART) provides serial handling for the on-board cassette interface or for the RS232/20mA teletypewriter interface. The input and output sides of the UART are independently switchable between any of the options.

An expanded 67 key LicoN solid state keyboard can be supplied, manufactured specifically for Nascom.

ENCOURAGED by sales of

12,000 of its mark one machine, with 80 per cent of its sales

now going to overseas markets, Nascom Microcomputers of 121 High Street, Berkhamsted, Herts HP4 2DZ (04427 74347) has launched the more powerful mark 2.

This is also based on the Z80 eight bit central processor, orders for which have been placed by the company with Mostek totalling \$1.5m.

Housed on a 12 x 8 inch card, the computer has 20k of

addressable memory and can run at 1, 2 or 4 MHz. The on-board universally addressable receiver/transmitter (UART) provides serial handling for the on-board cassette interface or for the RS232/20mA teletypewriter interface. The input and output sides of the UART are independently switchable between any of the options.

An expanded 67 key LicoN solid state keyboard can be supplied, manufactured specifically for Nascom.

ENCOURAGED by sales of

12,000 of its mark one machine, with 80 per cent of its sales

now going to overseas markets, Nascom Microcomputers of 121 High Street, Berkhamsted, Herts HP4 2DZ (04427 74347) has launched the more powerful mark 2.

This is also based on the Z80 eight bit central processor, orders for which have been placed by the company with Mostek totalling \$1.5m.

Housed on a 12 x 8 inch card, the computer has 20k of

addressable memory and can run at 1, 2 or 4 MHz. The on-board universally addressable receiver/transmitter (UART) provides serial handling for the on-board cassette interface or for the RS232/20mA teletypewriter interface. The input and output sides of the UART are independently switchable between any of the options.

An expanded 67 key LicoN solid state keyboard can be supplied, manufactured specifically for Nascom.

ENCOURAGED by sales of

12,000 of its mark one machine, with 80 per cent of its sales

now going to overseas markets, Nascom Microcomputers of 121 High Street, Berkhamsted, Herts HP4 2DZ (04427 74347) has launched the more powerful mark 2.

This is also based on the Z80 eight bit central processor, orders for which have been placed by the company with Mostek totalling \$1.5m.

Housed on a 12 x 8 inch card, the computer has 20k of

addressable memory and can run at 1, 2 or 4 MHz. The on-board universally addressable receiver/transmitter (UART) provides serial handling for the on-board cassette interface or for the RS232/20mA teletypewriter interface. The input and output sides of the UART are independently switchable between any of the options.

An expanded 67 key LicoN solid state keyboard can be supplied, manufactured specifically for Nascom.

ENCOURAGED by sales of

12,000 of its mark one machine, with 80 per cent of its sales

now going to overseas markets, Nascom Microcomputers of 121 High Street, Berkhamsted, Herts HP4 2DZ (04427 74347) has launched the more powerful mark 2.

This is also based on the Z80 eight bit central processor, orders for which have been placed by the company with Mostek totalling \$1.5m.

Housed on a 12 x 8 inch card, the computer has 20k of

addressable memory and can run at 1, 2 or 4 MHz. The on-board universally addressable receiver/transmitter (UART) provides serial handling for the on-board cassette interface or for the RS232/20mA teletypewriter interface. The input and output sides of the UART are independently switchable between any of the options.

An expanded 67 key LicoN solid state keyboard can be supplied, manufactured specifically for Nascom.

ENCOURAGED by sales of

12,000 of its mark one machine, with 80 per cent of its sales

now going to overseas markets, Nascom Microcomputers of 121 High Street, Berkhamsted, Herts HP4 2DZ (04427 74347) has launched the more powerful mark 2.

This is also based on the Z80 eight bit central processor, orders for which have been placed by the company with Mostek totalling \$1.5m.

Housed on a 12 x 8 inch card, the computer has 20k of

addressable memory and can run at 1, 2 or 4 MHz. The on-board universally addressable receiver/transmitter (UART) provides serial handling for the on-board cassette interface or for the RS232/20mA teletypewriter interface. The input and output sides of the UART are independently switchable between any of the options.

An expanded 67 key LicoN solid state keyboard can be supplied, manufactured specifically for Nascom.

ENCOURAGED by sales of

12,000 of its mark one machine, with 80 per cent of its sales

now going to overseas markets, Nascom Microcomputers of 121 High Street, Berkhamsted, Herts HP4 2DZ (04427 74347) has launched the more powerful mark 2.

This is also based on the Z80 eight bit central processor, orders for which have been placed by the company with Mostek totalling \$1.5m.

Housed on a 12 x 8 inch card, the computer has 20k of

addressable memory and can run at 1, 2 or 4 MHz. The on-board universally addressable receiver/transmitter (UART) provides serial handling for the on-board cassette interface or for the RS232/20mA teletypewriter interface. The input and output sides of the UART are independently switchable between any of the options.

An expanded 67 key LicoN solid state keyboard can be supplied, manufactured specifically for Nascom.

ENCOURAGED by sales of

12,000 of its mark one machine, with 80 per cent of its sales

now going to overseas markets, Nascom Microcomputers of 121 High Street, Berkhamsted, Herts HP4 2DZ (04427 74347) has launched the more powerful mark 2.

This is also based on the Z80 eight bit central processor, orders for which have been placed by the company with Mostek totalling \$1.5m.

Housed on a 12 x 8 inch card, the computer has 20k of

addressable memory and can run at 1, 2 or 4 MHz. The on-board universally addressable receiver/transmitter (UART) provides serial handling for the on-board cassette interface or for the RS232/20mA teletypewriter interface. The input and output sides of the UART are independently switchable between any of the options.

An expanded 67 key LicoN solid state keyboard can be supplied, manufactured specifically for Nascom.

ENCOURAGED by sales of

12,000 of its mark one machine, with 80 per cent of its sales

now going to overseas markets, Nascom Microcomputers of 121 High Street, Berkhamsted, Herts HP4 2DZ (04427 74347) has launched the more powerful mark 2.

This is also based on the Z80 eight bit central processor, orders for which have been placed by the company with Mostek totalling \$1.5m.

Housed on a 12 x 8 inch card, the computer has 20k of

addressable memory and can run at 1, 2 or 4 MHz. The on-board universally addressable receiver/transmitter (UART) provides serial handling for the on-board cassette interface or for the RS232/20mA teletypewriter interface. The input and output sides of the UART are independently switchable between any of the options.

An expanded 67

# FINANCIAL TIMES SURVEY

Wednesday April 25 1979

JAHILIA

## Personal Financial Planning

For the private investor taxation and the other complexities of the financial world nowadays are such that more guidance than ever is needed. This survey discusses some of the main areas of investment and examines the tax implications for the individual saver.

### Keeping up with the game

By Eamonn Fingleton

THE NEXT Chancellor will need a sharp axe, not just to chop tax rates but to hack down the tangle of tax legislation now threatening to choke our financial system.

The complexity and arbitrary nature of the rules probably do as much to undermine confidence in the system as high tax rates.

The system is now so involved that the term "personal financial planning" has become, for many, no more than a euphemism for tax avoidance.

A whole industry has grown up to guide savers through the maze. Thousands of man-hours are devoted to dreaming up ever more artificial devices—and often the choice of underlying assets that your money is invested in is little more than after-thought.

The case for simplifying the system transcends party dividing lines. It is self-evidently wasteful for so many of our best brains in finance, accounting and the law to spend their lives in the sterile task of finding new loopholes, every time the rules change. Meanwhile many of our most talented people in industry, the arts, sport and entertainment are needlessly distracted from their calling to sift through baffling tax advice which often ties them up in financial strait-jackets.

It is a vicious circle. Rates as high as 98 per cent on invest-

ment income and 83 per cent on earnings are an invitation to avoidance. The higher the rates the more people are prepared to fork out on tax advice fees and the more sacrifices they are prepared to make in, for instance, forgoing flexibility in their savings strategy. And the more success the tax avoidance industry has in exploiting the widely differing treatment of various savings options and different types of income the more the tax base is eroded and the higher rates have to be to produce the same amount of revenue.

Among investments which enjoy the taxman's capricious favour are:

• **Houses.** Home ownership is the nearest thing in the investment world to a racing certainty. For decades the net cost of mortgage finance for even a basic rate taxpayer has consistently been less than the rise in house prices. Even for young, mobile people, who, in a better-ordered economy, might be expected to prefer privately rented accommodation, the profits to be made in home ownership often dwarf the hefty costs of moving house frequently. There is no capital gains tax to pay, provided you keep your investment to one house, however large, rather than two smaller ones.

• **Pensions.** Contributions to suitable schemes come off your top rate of tax. Pension funds pay no tax on income from their investments—and the advantages of this over the long term are staggering (thanks to the magic of compound interest). Businessmen can set up their own one-man pension schemes into which they can transfer their business assets progressively. They thus not only get tax relief on the transfers (which count as premium payments) but they benefit from tax-free build-up thereafter.

• **Life insurance.** Premiums up to £1,500 or one-sixth of income paid into a 10-year plan qualify for a 21 per cent subsidy (17p for every 82p of premium). Basic rate taxpayers can wind up their plan after four years without tax penalty. "Greenhouse" plans, flexible open-

ended schemes investing in a choice of unit funds, are an effective shelter for the wealthy. Even a millionaire can transfer his money in 10 annual premiums into a greenhouse plan and qualify for a tax subsidy on part of each year's payment. His money will build indefinitely paying 37p per cent on investment income and encashments after 10 years are tax-free. By adding a few pounds worth of life insurance cover to any investment, any investor can turn it into a single premium bond: for a 98 per cent taxpayer this will instantly cut his top rate to an effectively 78 per cent.

• **National Savings.** The current 18th issue of National Savings Certificates (maximum investment £1,500) pays a return of 8.45 per cent (tax-free over five years). The valuable inflation-proofing bonuses paid by the current SAYE scheme (maximum investment £20 a month) and the retirement issue of National Savings Certificates (maximum investment £7,500) are tax-free. Premium Bonds prizes are tax-free and each year they total 5% per cent of the funds invested.

• **GILTs.** Capital gains made on gilts held for more than a year are tax-free. Investors paying top rates of tax can get a net return of 4 per cent a year from capital gains alone by buying low-coupon gilts. These stand at a substantial discount—but if they are dated stocks, they will eventually be repaid at par.

The favoured treatment of these investments helps to explain why Britain's tax burden as a proportion of national output is relatively low by world standards. At 37 per cent of GDP, Britain's total tax and National Insurance payments were lower than those of all but five of 16 countries in an OECD survey. The highest figure was Sweden's 55 per cent, followed by Norway's 47 per cent. Even Belgium at 43 per cent and Germany at 38 per cent, were higher than Britain.

In the context of a general shift to lower tax rates and to a system where investors were subject to capital gains tax only on real gains, a strong

economic case can be made against any favouritism for most of the investments above.

The economic basis for favouring insurance-oriented saving, for instance, is hard to see. If the country wants to encourage life insurance as such the favouritism should be concentrated on term and other pure life policies. In fact the availability of tax relief on savings policies tends to obscure the real purpose of life insurance—because both the industry and the public are mesmerised by the idea that life insurance is a tax-efficient savings medium.

Special encouragement for long-term institutional saving is sometimes defended on the grounds that people need the discipline of contractual arrangements to save for their old age. In the case of building society savers at least, the theory seems to be disproved by the building societies' ever-growing balances.

One damaging consequence of channelling so much of our savings into life insurance, pensions and other long-term arrangements is that it puts yet another stumbling block in the way of young would-be entrepreneurs. Because so much money is locked away, they find it difficult to get the free capital to set up the new businesses a healthy economy.

To people used to our present system, it is an alien concept. And the dense language of the report did not help get the message across. But if the transitional problems could be overcome, the Meade system would be not only fairer and simpler but could help turn the tide for the British economy.

In the meantime, however, we are stuck with the present system and all its imperfections. So what is the saver to do? He can take it that most of the savings vehicles enjoying the Inland Revenue's blessing will continue to do so for many years. Certainly any changes in, for instance, the tax subsidy arrangements for life insurance

are unlikely to have much effect on policies already in force.

A good adviser is more important than ever. In the days when personal financial planning was about deciding whether ICI or Marks and Spencer were a better long-term investment, the inspired amateur could aim to do as well as the professional. Now top quality advice is needed not only to put you in the know about the latest confusions from the savings industry but to guide you on the likely Inland Revenue view on a particularly strategy. Remember that the taxman now has power to crack down retrospectively in the case of particularly outrageous tax avoidance schemes.

Whatever the economic drawbacks of a savings system where the market mechanism is so seriously impeded, the political problems of trying to introduce fiscal neutrality piecemeal are massive.

A long-term solution is, however, in sight in the Meade

Report's suggestion last year that the focus of the tax system should be shifted from income to spending. Under the Meade system, anything you save out of income each year would reduce your tax liability—but you would pay tax on the full amount of any savings you drew.

To people used to our present

system, it is an alien concept.

And the dense language of the

report did not help get the

message across. But if the

transitional

problems could be over-

come, the Meade system would be not only fairer and simpler but could help turn the tide for the British economy.

In the meantime, however, we

are stuck with the present

system and all its imperfections.

So what is the saver to do? He

can take it that most of the

savings vehicles enjoying the

Inland Revenue's blessing will

continue to do so for many

years. Certainly any changes in, for instance, the tax subsidy arrangements for life insurance

Cut down your tax and plan for a sound financial future.

Are you paying too much tax; need more income or capital? Then stop worrying and act.

Plan your finances with the assistance of some professional advice.

As specialists in financial planning, we can give you independent advice. Our services cover all aspects of personal tax planning, pensions, capital transfer taxation planning, capital gains tax, life assurance, general insurance and savings schemes, trust dissolutions and reversions, annuities, managed and investment bonds and school fees schemes.

Complete the coupon below and return it to us. We can help you (we have helped others). No representatives will call unless requested.

To: Derek W. Bartlett, FC.I.S., F.A.I.I., Bridge Personal Financial Services Limited, Regis House, King William Street, London EC4R 9AR. Telephone: 01-623 4951.

I'd like to reduce my tax liabilities. Please send me your booklet and questionnaire.

Name \_\_\_\_\_

Address \_\_\_\_\_

I am interested in \_\_\_\_\_

BRIDGE PERSONAL FINANCIAL SERVICES LIMITED

Personal Assets Management Services

## IF EVEN THE INLAND REVENUE HAVE TROUBLE KEEPING UP WITH TAX CHANGES, HOW CAN YOU HOPE TO?



If you're anything like most people, you suspect you're paying too much tax.

But you can't prove it.

In the last four years alone, three Budgets and four Mini-Budgets have produced hundreds and hundreds of changes in tax legislation. And, if it's any consolation, the nation's tax collectors have been left almost as overwhelmed as you.

Some of these changes may well have pushed your tax bill up, some may have cut it down.

It's no wonder that filling in tax returns is seen as a brain-racking ordeal.

Except by us and our tax experts.

We regard each return as an opportunity to save our clients' hard-earned money. We relish the prospect of using some snippet of knowledge to claim an extra allowance here, or some extra tax relief there.

We have people who specialise in income tax, capital gains tax and capital transfer tax. Each has immersed himself in the statutes and case law of his chosen field.

Each is looking forward to chalking up another spectacular success to his credit.

Of course, not everyone needs our service. But if you receive fringe benefits from your employer, claim business expenses of any kind or pick up income from more than one source, it would certainly be worthwhile talking to us.

You can do so in absolute confidence. And it's so simple. Just ask at your local branch of Barclays Bank for an introduction to your nearest Trust Company Area Office.

You may well be in for a pleasant surprise.

**BARCLAYTRUST**

BARCLAYS BANK TRUST COMPANY LIMITED

### House Purchase

## Mortgage options

FEW INVESTMENTS have done better in the last year than the average suburban semi.

A survey by the Nationwide Building Society shows that the price of the average house rose by 27 per cent to £17,520 in the year to March. That represents a gain of £3,725; so every week in the last year the typical house was appreciating by £71.68, free of all tax. And all the time, the householders was saving what he would otherwise have had to pay in rent—up to £25 a week, probably.

The typical home owner, of course, has a hefty mortgage but even with a full 100 per cent mortgage the interest bill on the average house would have been no more than about £1,500 in the last year—or about £1,900 after tax relief.

The last year, of course, has been an exceptional period for house prices. But the long run trend has been for house prices to keep ahead of the cost-of-living—and there are sound economic reasons for thinking that in the absence of major changes in the rules for tax relief the trend will continue.

You usually do even better if you borrow to finance house purchase rather than put up the money from your own resources. Even at the present 11½ per cent, the mortgage rate represents extremely good value for borrowings up to £25,000—for after just basic rate tax relief it reduces to just 7.9 per cent, well below the current rate of induction.

The big poser for home buyers is what kind of mortgage to choose. The latest figures show that about one-third of all building society borrowers last year took out loans which were wholly or partly linked to endowment policies. Endowment mortgages have gained greatly in popularity recently, partly perhaps because building societies now get part if not all of the insurance commission involved. Certainly would-be borrowers find that building society managers often these days promote the endowment idea more heavily than they used to. And with the building society often getting 60 per cent of the first year's endowment premiums, the reason is not hard to see.

The endowment method

involves the borrower in funding a policy which will eventually build up a maturity value equal to or more than the loan. In the meantime, the borrower pays interest only on the loan.

With the ordinary building society repayment loan, the borrower's payments go towards not only meeting the interest but clearing some of the capital.

To compare the two systems, you need to look at costs net of tax relief in each case. The problem with the repayment method is that the net cost starts out low but rises later—and in the last few years of a 25-year amounts to about 1½ times the initial cost.

A further complication is that with most of the endowment varieties, there is some "profit" at the end for the borrower—because the endowment proceeds will more than cover the loan.

Another complication is that the endowment method throws in life cover for free. To make comparisons fair, therefore, the cost of a mortgage protection policy has to be included in the bill for the repayment method.

The net cost of the repayment method usually starts out at least 10 per cent lower than the best of the endowment methods. And if the term is 25 years it is usually at least 10 years before the cost of the repayment method for the basic rate taxpayer has risen to equal the cheapest endowments.

The conundrum that savings experts have for years been wrestling with is whether the saving you make early on with the repayment method is worth more than the advantages later to the endowment system.

The best way you can make a rigid comparison is with discounting techniques—that is techniques to take account of the falling value of money over the term. The point is that £1 in 25 years' time, for instance, is worth only 10p in today's money, if inflation averages 10 per cent.

A recent analysis showed that for a 33 per cent taxpayer, the net real cost of a £10,000 25-year repayment loan totalled

Eamonn Fingleton

## PERSONAL FINANCIAL PLANNING II

## Capital Transfer Tax

## Largely a matter of life and death

THE KEY to understanding Capital Transfer Tax (CTT) is that it is intended to cover not just the transfer of cash and assets out of an estate on death but all transfers during life as well.

Thus, although there is at present a £25,000 threshold—which the Tories have promised to raise—below which no tax is payable, if you have given away part of that estate during your life, that amount will be deducted from the tax-free residue on your death. In other words, if you have given away £10,000 during your life, only £15,000 of the estate's value on your death will be exempt from tax.

It is for this reason that CTT planning must begin early in life and not just when death begins to loom as an inevitability.

There are two good reasons for this. First, transfers during life are taxed at a lower rate than at death, and in the second place there are important annual exemptions on certain types of gift which both reduce the overall size of the estate on death and are themselves tax-free.

In addition, although transfers between husband and wife are permanently exempt, both during life and on death, the death of the surviving spouse triggers off a liability to tax which can be significantly reduced if plans have been well

laid early enough.

For instance, if a husband leaves his entire estate of, say, £100,000 to his wife, on her death there would be a CTT liability of £23,750 to pay. But if the estate had been divided between husband and wife during his life and each part bequeathed to the children, on his death there would be only £4,750 to pay on his £50,000, with a similar amount due on her estate when she dies.

Such planning, of course, must be evaluated against the real needs of the family. If the wife can live comfortably on £50,000 plus the support of the children, all is well. Otherwise it may be more prudent for the husband to bequeath her the entire £100,000 despite the heavy tax to pay on her death.

Meanwhile, gifts to other individuals during life, should be planned to take maximum advantage of the important exemptions. There are six of these.

All gifts out of normal income which you can well afford—that is, which do not reduce your standard of living—are tax-free.

This exemption would cover gifts to organisations, tips, Christmas presents within reason, life assurance premiums, etc.

Transfers of property for the maintenance or education of the children, dependent relatives, couple, who if they are lucky

step-children and adopted children are also exempt.

Gifts to charities and political parties during one's life are wholly tax-free. On death, only gifts above £100,000 incur tax.

Gifts to museums and the National Trust are completely exempt without limit even of death.

Transfers of farmland, woodland and private businesses or interests in them qualify for considerable relief by way of a 50 per cent discount on the value of the asset, or by way of deferral of the tax payable until the asset transferred is sold by the beneficiary.

## Marriage

Finally, there are individual gifts. Each spouse may give away up to £2,000 per year to anyone without that being added to the total of lifetime gifts. That allowance can be rolled over for one year but no further. So if you did not give away anything last year you may give away £4,000 this, but if this year you give away only £3,000, the remaining £1,000 allowance evaporates.

Each may also give £100 a time to any number of different individuals he or she chooses in any given year.

The occasion of a marriage is also blessed by the Inland Revenue. Father and mother may each give £5,000 to the

enough to have all their parents surviving could reap £20,000. Grandparents may each give £2,500 and other friends or relatives may add to the nest egg to the tune of £1,000 apiece.

Where it is clear that one's estate will be worth more than £25,000 at death—and even the small house, car and savings of relatively modest earners would normally exceed this level—these annual exemptions are important ways to transfer tax-free assets or cash which would in the normal event accrue to the beneficiaries on death but after tax had been paid.

Such policies must run for a minimum of 10 years to qualify for CTT relief, so parents wishing to give their children a cash sum of £1 must start paying premiums by the time they have reached 10.

A scheme recently devised by Property Growth Assurance also uses the life assurance route to CTT mitigation. The scheme comprises a term insurance policy providing life cover and an endowment bond which has no insurance element. The two elements are equal in value and on death the life policies' proceeds are paid to the family while the proceeds of the bond go to the insurance company.

The key to the CTT benefits is that the life cover is made up out of a number of mini-polices of £500 apiece. These policies can be gradually assigned to one's children at their current value during the period of the scheme.

The concept runs as follows. The business pays the executive a generous pension plan to which the executive stands as

CTT rules if a suitable life contract is taken out for a child the maturity value is free of CTT, which applies only to the premium. That is, the parent gifts the child the premium rather than the maturity value.

In the past the child, because it did not pay income tax, could not claim back the tax relief on the premium. But now the parent pays the premium net, and the gift is thereby lower in value while producing the same benefit.

Such policies must run for a minimum of 10 years to qualify for CTT relief, so parents wishing to give their children a cash sum of £1 must start paying premiums by the time they have reached 10.

A scheme recently devised by Property Growth Assurance also uses the life assurance route to CTT mitigation. The scheme comprises a term insurance policy providing life cover and an endowment bond which has no insurance element. The two elements are equal in value and on death the life policies' proceeds are paid to the family while the proceeds of the bond go to the insurance company.

The key to the CTT benefits is that the life cover is made up out of a number of mini-polices of £500 apiece. These policies can be gradually assigned to one's children at their current value during the period of the scheme.

The concept runs as follows. The business pays the executive a generous pension plan to which the executive stands as

life cover of £100,000 in 200 policies at age 40, each policy would have an actuarial value of £95 or so at the beginning of the period. Since under CTT rules you could give away £2,100 to one individual each year, the parent could assign 21 policies to your children per year and over the entire period could expect to transfer the entire £100,000 free of CTT.

One weakness of the scheme is that if the investor survives four years the term insurance expires and the bond becomes payable. At that point it becomes subject to both CTT and high rate income tax.

CTT bites particularly savagely on small businesses, for all the fact that it applies at half rate. One way to withdraw as much from the business during life—thus reducing the prosperity of the firm—is through a self-administered executive pension scheme.

Such schemes are subject to investigation by the Inland Revenue which checks to see that the sums paid out by way of pension are not simply expenses to sink capital into frivolities such as yachts on the Monegasque coast. However, if the money is invested in serious objects, such as the business itself, the schemes are usually passed.

The concept runs as follows. The business pays the executive a generous pension plan to which the executive stands as

trustee. The contributions from the business qualify against corporation tax. The pension is taxed as earned income. Lump sums are tax-free.

A proportion of the lump sum can be invested back in the business most usefully through a sale and leaseback arrangement. Under this the pension fund buys property or plant which the business then leases back. The rental is again offsettable against the company's tax while the rental income to the pension fund is tax-free.

Finally, at death, the assets of the pension fund are not subject to CTT because the fund does not expire on death. A simple change of trustee means that the benefits pass to the new beneficiary, child or relative.

In an article of this nature it is not possible to range over the full choice of CTT schemes. In any case individual circumstances are so disparate that CTT planning must be "custom-made."

What is important is to seek professional advice at a relatively early stage—certainly by around 40—and then to monitor arrangements on a regular basis. Assets increase in value; the number of dependants can change; the estate is likely to grow.

If, for example, one has chosen to divide the estate with one's spouse so as to minimise the CTT payable on the death of the survivor, the equalisation process may need to be virtually continuous. Or if grandchildren are born it may be worth transferring bequests to them rather than to children.

Finally, the question of trusts for children and grandchildren needs to be carefully considered now that transfers into and out of trusts are liable to CTT and even discretionary trusts are subject to a periodic charge every 10 years based on 30 per cent of the tax that would have been payable had the beneficial interest simply been transferred.

Christine Moir

## Interest Rates

## The best bets

THE POSITION of the building societies as the best bet for most short-term savers remains unchallenged after one of the most hectic years ever for interest rates. The relative advantages of the other major competitors for short-term money have also remained substantially intact—with National Savings in particular retaining its appeal for both the poorest and the wealthiest savers. The banks continue to lag behind most of the time, except in the case of amounts of £10,000 or more.

Just over a year ago the Bank of England's Minimum Lending Rate (MLR) stood at 13 per cent—just 1 per cent above its lowest level since 1972 when the MLR system was introduced. By June MLR had shot up to 8 per cent and two months ago it peaked at 14 per cent—just one point below the crisis level of 15 per cent touched at the height of the sterling panic in 1976.

During most of that time the building societies have remained one jump ahead and with their basic rate for savers now 8 per cent tax-paid they retain a strong competitive edge over the clearing banks, which, following the big turnaround in the trend in interest rates, are currently offering only 8 per cent or less on ordinary seven-day deposit money. This works out at less than 6.4 per cent net to a basic rate taxpayer.

Building societies are also highly competitive for taxpayers with term money to invest. The major societies offer a bonus of 1 per cent tax-paid over the ruling basic savers' rate for three-year money. And the bonus for four-year money has increased recently from 1 per cent to 1.5 per cent at among other major societies, the Halifax, Abbey National, Nationwide and Woolwich.

The biggest competitors of building societies are National Savings products.

• The investment account at the National Savings Bank. This offers 12 per cent before tax for money at one month's notice. The account also has the snag that interest is credited only for each complete calendar month the money is on deposit. None the less, offering a return of up to 8.04 per cent after basic rate tax it is an option that, if it is maintained much longer, could act as a brake on the building societies in reducing their rates.

Even with a reduction in the rate which may come in the post-election Budget, the investment account at the National Savings Bank must remain a best buy for low-income pensioners and other non-taxpayers.

• National Savings Certificates. The 18th issue, launched in January offers a tax-free return

of 9.5 per cent at the moment.

If you can commit yourself to saving regularly for four years, the return on building society insurance-linked plans is almost unbeatable. Net returns of up to 13 per cent a year to a basic rate taxpayer are possible—in the £ you can claim.

Building society Save-As-You-Earn has been going for ten years but until recently has been out of favour because it seemed very much to play second fiddle to the National Savings index-linked Save-As-You-Earn. The building society plan offers a rate of 8.3 per cent tax-free if you save for the basic term of five years; and if you leave your money for a further two years the rate for the whole term works out at 9.6 per cent.

K.F.

## MANAGE YOUR OWN PORTFOLIO

For a start, you might well do it better than the "experts." And in any case, you care more about your own affairs than anyone else does. In today's fast-moving markets, only sound common sense, backed up by in-depth research, will win through. And that's exactly where the FLEET STREET LETTER, Britain's oldest newsletter, can help you. Gone are the days when a "sound portfolio" of shares could just be bought and forgotten. 1974 proved that. Today's investor has to be alert. Buying tomorrow's favourites at today's prices. And, of course, remembering when to sell them. Before the next "1974." That's why the FLEET STREET LETTER, Britain's oldest newsletter, emphasises the importance of knowing when to sell. The only way to be sure the FLEET STREET LETTER is right for you is to see a copy and judge for yourself. So, just complete and return the attached coupon and we will send you a FREE COPY. Plus a detailed analysis of FSL's latest ideas, a company which most other investors have not yet discovered.

To: FLEET STREET LETTER  
3 Fleet Street, London EC4Y 1AU  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
Please send me a FREE copy of FSL.

PL  
SUCH TO YOUR CHILD'S FUTURE

## Just what is there left for the successful businessman?



NPI



لهم اصلح



## PERSONAL FINANCIAL PLANNING IV

## Private advice on pensions

is available to Directors of Private Companies and their Professional Advisers from the country's leading firm of pension consultants. For further information, telephone John McKirdy, Managing Director, Noble Lowndes Personal Financial Services Ltd. on 01-686 2466 or write to him at PO Box 144 Norfolk House, Wellesley Road, Croydon, CR9 3EB

**Noble Lowndes**  
and Partners Ltd  
The first name in pensions

# Unit Trust investment with National Westminster

National Westminster offers investors the choice of seven unit trusts—each with a different investment objective, but all under careful and experienced National Westminster management.

You can make a lump sum investment in a Nat West Unit Trust from around £100. Or if you prefer you can invest from £5 a month on a regular basis through the Sunflower Monthly Saving Plan, and enjoy the added benefits of life assurance cover and tax relief on your contributions.

Alternatively, if at present you look after your own shares, the Nat West Share Exchange Plan may be of interest—it enables you to switch your shares for Nat West units on advantageous terms.

If you'd like to join the 66,000 investors who already have around £90 million invested in Nat West Unit Trusts you can find out more simply by sending the coupon below.

To: National Westminster Unit Trust Managers Ltd, 161 Cheapside, London, EC2V 6EU. Tel: 01-606 6060

Please send me further details of: NatWest Unit Trusts

Share Exchange Plan

Sunflower Monthly Savings Plan

Name \_\_\_\_\_

Address \_\_\_\_\_



Not applicable in Eire

A member of the Unit Trust Association.

F.T. 25/4

# CITY OF WESTMINSTER ASSURANCE

## Flexible Pension Plans

Whether you're self-employed or eligible for our Directors and Executives Pension Scheme, City of Westminster Assurance can give you an outstandingly flexible pension plan backed by a highly successful investment record.

When choosing a pension plan, it is vitally important that you should know what your options are. All too many schemes fail to cater adequately for the individual requirements of a particular person.

City of Westminster Assurance, however, has based both its Self-

Employed and Director's Pension Plans on the premise that the individual comes first. Freedom of choice is a key factor in both these contracts, allowing investors real flexibility about the way they invest and subsequently draw their benefits.

Ask your broker for details of whichever plan is appropriate for you. And bear in mind that City of Westminster has an excellent long-term investment record backed up by a special reputation for original thinking in the field of pensions and life assurance.



A SENTRY INSURANCE GROUP COMPANY  
Sentry House, 56 Leadenhall Street, London EC3A 2BB

## Pensions

# Top savings in tax relief

A COMPANY pension scheme is the most tax-efficient savings plan available to investors. The Revenue allows the contributions to count for full tax relief at the top rate. The investment is in a tax-exempt fund, so the roll-up is on a gross basis. The ultimate benefits are treated generously by the taxman. No other savings vehicle has such inbuilt advantages, yet the full savings potential of pension schemes is still not fully recognised.

The problem in many cases is that investors do not associate their pension scheme with savings, since by and large it is involuntary. The contributions are deducted at source by the employer and the benefits still seem very much in the distance. But a person in a pension scheme is saving towards retirement just as much as if he were putting the money in a building society, but it is a more tax-efficient manner.

Thus it makes financial sense in any planning exercise by the individual investor to make sure first that he or she is making

maximum use of pension scheme concessions.

Controlling directors and top executives are those investors who can benefit most from a pension arrangement. The higher one is up the salary scale and the larger one's estate, the more valuable are the tax concessions. Not only do the contributions attract tax relief at the top rate; the basic lump sum death-in-service benefit, up to a maximum of four times salary, is free of Capital Transfer Tax.

Since the 1973 Social Security Act controlling directors can be members of a company pension scheme just like any other employee. But it makes far more financial sense to have a separate executive pension scheme for these top personnel rather than putting them in the main company scheme.

The benefits can be designed in a more flexible manner and tailored to meet individual requirements. The pension can be fully revalued up to the Revenue limits. The actual date of retirement can be made more flexible than in the main scheme. Even more important, the funding arrangements can be made more flexible to provide the maximum benefit to the executive. It makes sense for the executive to contribute the maximum amount allowed by the Revenue—15 per cent of earnings—giving the executive a salary rise to compensate. His net salary situation is unaltered but benefits are based on the enhanced gross salary.

Sales of executive pension schemes by life companies have soared in the past couple of years as more executives have come to appreciate the tax

advantages. There are plenty of schemes on the market—traditional, unit-linked and building society-linked, each with its own investment criteria. But since the benefits are linked to salary, the investment performance affects the amount paid by the company. A more important feature is whether to set up a self-administered executive scheme, with the opportunity of investing back in the company, or to use a life company scheme.

## Scope

The ordinary investor already in a company pension scheme may feel that there is nothing more he can do. In many cases this need not be so. How many scheme members will complete the 40 years service in the scheme necessary to provide the maximum benefits allowed by the Revenue, such as revaluing the pension every year to keep its real value? The answer is not very many. For all such persons there is scope to save through Additional Voluntary Contribution schemes, known as AVCs.

The Revenue allows an investor to contribute up to 15 per cent of his earnings into a pension arrangement, and the definition of earnings is extremely wide. It is not just basic salary, but includes bonuses, overtime payments and so on. Under most company schemes the normal contribution rate by employees is 5 to 6 per cent, although 8 per cent is not unknown. The member can invest the balance in an AVC scheme.

The other limitations on the amount of contributions to an

AVC scheme relate to the benefits provided by the main scheme and those purchased by the AVC scheme must not exceed certain limits.

But unless the investor is getting near the maximum from the main scheme there is plenty of scope for some contributions. Many life companies are reporting a growing volume of AVC business.

For those persons not in a company pension scheme, because their employers have kept them fully in the State scheme and made no attempt to build on top, then savings can be done through a personal pension plan.

There is a misconception among investors that these plans are only for the self-employed. Admittedly the self-employed are the main users of these schemes but they are available to anyone in non-pensionable employment, where the employer does not have any company pension arrangement at all.

Under these schemes the investor can contribute up to 15 per cent of his earnings, it seems a magic number in Revenue thinking for pension purposes. The roll-up is tax-free, the contributions are eligible for full tax relief at the top rate. And the benefits can be taken at retirement partly as a tax-free lump sum and the rest in pension taxed as earned income.

The self-employed have to make their own pension provision, since the State schemes, even in its new form, does no more than provide them with the basic flat-rate pension. Again up to 15 per cent of earnings can be tucked away.

## Expatriates

## Big advantages to exploit

A POUND invested carefully today should grow to about £45 in 40 years if no tax is deducted along the way. If, however, it is invested in a fund paying 3½ per cent income tax—the rate insurance companies in the UK have to pay on interest income—it will grow to only about £11.

That in a nutshell is the case for expatriates making the most of their investment opportunities. They enjoy the massive advantage that their savings can build up tax-free not only while they are abroad but also continue to do so after they return. To turn £1 into £45 over 40 years requires a relatively modest interest rate of 10 per cent. Even after the collapse in interest rates of the last few months, the longest dated gilts still offer returns comfortably over 11 per cent.

The longer the term the more phenomenal the divergence between the performance of taxed and untaxed funds. But, as the table shows, even over a 10-year term the difference is substantial: £1 in a tax-free fund should grow to £2.59 whereas it grows to only £1.83 in an insurance company fund paying UK tax.

A burgeoning range of insurance products is now available to help the expatriate maintain the tax-free status of his savings after returning home, as in many cases he is likely to do. The most sophisticated vehicles are flexible unit-linked endowment policies provided by insurance companies based in such places as Bermuda and the Isle of Man. Not only do they provide for income to roll up free of almost all tax within the insurance funds but withdrawals made from cashing-in are free of UK tax—provided the policy has been running at least 10 years.

## Improvement

This is a major improvement on offshore single premium bonds, which until recently were the main option for the tax-minded expatriate. These allow income to build up free of tax in the fund but if the investor is subject to higher rates of UK tax at the time he cashes in the tax formula is the same as for ordinary single premium bonds with "top-slicing" applying.

To qualify to take out a flexible offshore endowment you need to be non-resident for tax and foreign exchange purposes. Most people going overseas to work for three years can acquire this status immediately they leave Britain by applying to the Inland Revenue and the Bank of England supplying appropriate evidence of their employment plans.

They commit themselves to pay premiums for an initial period of 10 years and then they may have several options including continuing to pay premiums, taking the full maturity value immediately, leaving it

to build up indefinitely or making regular annual withdrawals.

The main condition you have to meet to enjoy the full tax advantages is to continue the premiums for 10 years.

## Running

If the policy has been running for less than 10 years when you return you can in most cases continue to pay premiums as a British resident.

In practice, where sizeable premiums are involved, most policyholders will probably want to pay the bulk of the premiums—at least six years in most cases—out of high foreign earnings.

One snag of these policies is that you cannot claim the usual 17½ in the £ tax credit you would have on a British life insurance policy.

But this is a minor sacrifice compared with the phenomenal advantage of income compounding tax-free over a long period. These plans have been pioneered by an Isle of Man subsidiary of the Tyndall unit trust group, but now Save and Prosper's Bermuda subsidiary has joined in and several other major financial groups are planning similar schemes.

Both the Tyndall and Save and Prosper plans allow for the policyholder to start drawing an income from his investment after 10 years.

The income is normally tax-free provided the policyholder continues to pay a nominal amount of premium (to meet the Inland Revenue's rules about "qualifying" policies). In the case of the Tyndall plan the premium after the 10th year is only £12 a year. Save and Prosper's charge to keep the policy "qualifying" is a premium equal to 1 per cent of the value of the underlying investments each year.

Save and Prosper also allows the investor to continue to pay premiums for a second term of 10 years. And if he later decides to stop paying premiums he can make the policy paid-up without penalty.

The minimum initial premium is £300 a year at Tyndall and 2,500 American dollars at Save and Prosper.

A major problem initially with these plans was that their tax advantages were not guaranteed. This was because each policyholder had to wait until he returned to Britain before

on a variety of funds with switching facilities—or the investor can leave the management to the life company by going into a mixed fund. The with-profit plans offer a steady return that does not fluctuate very much. The linked contracts over the longer periods offer a higher return, but the variations are somewhat greater. With linked contracts, investors have to gauge what they are paying. With traditional schemes charges are made but it is impossible to quantify them.

With personal pension plan the investor has the choice of paying single premiums or on a regular basis. On past performance single premiums have proved a better investment and provide more flexibility in payment. But regular premium schemes impose a discipline on the investor to save very important. Again the investor has to pick from a bewildering array of schemes and he needs to understand certain basic features.

AVC schemes are on the traditional pattern—mostly on a with-profit basis. The investor has a guaranteed return on his benefits to which bonuses are added. Equitable Life, Standard Life and London Life are active in this field, offering top class returns. The Phoenix Assurance offers a return guaranteed to be not less than the mortgage lending rate.

But with self-employed contracts the linked life companies offer a viable alternative to traditional with-profit plans. Linked contracts can be based:

## VICKERS da COSTA

We specialise in providing a wide range of flexible and personal services for private investors.

Our international experience is of particular value to those living and working abroad.

We make no investment management charge above normal Stock Exchange dealing expenses.

Why not telephone or write for further information to:

Colin Richardson or Gerry Gorb

Vickers da Costa Ltd  
Regis House,  
King William Street,  
London EC4 9AR  
Telephone 01-623 2494  
Telex 826004

Vickers da Costa Ltd  
Corporate Member of The Stock Exchange



Have YOU fully considered or even understood the significance and severity of this tax in relation to your own personal estate?

What have you done about it? What CAN be done about it? The SCOTTISH LIFE have studied the implications of this heavy financial burden and, as a result, have designed special new Life Assurance contracts to produce answers to the problems of Capital Transfer Tax provision.

To The Scottish Life Assurance Company, Freepost Edinburgh EH2 0DN. Please let me have a copy of your advice literature on Capital Transfer Tax, implications and provision.

Name \_\_\_\_\_

Address \_\_\_\_\_

Telephone No. \_\_\_\_\_

Home \_\_\_\_\_

Business \_\_\_\_\_

Date of Birth \_\_\_\_\_

NO STAMP REQUIRED

THE SCOTTISH LIFE ASSURANCE COMPANY

A Mutual Life Assurance Company (Registered in Scotland No. 216) Life Assurance Specialists since 1821

## THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Richard Lambert on how Cadbury Schweppes has rethought its strategy

## Back to the straight and narrow

IT TAKES a long time to change the direction of a diversified multinational with annual sales of £1bn. The report and accounts published today by Cadbury Schweppes show that the group's financial performance in 1978 was just as uninspiring as it had been throughout this decade. Its return on capital, before interest payments, remained stuck at a little over 15 per cent, while the pre-tax return on sales fell to a new low point of 4.8 per cent.

But ten years after the merger between Cadbury's confectionery and food, and Schweppes' drinks, the trends at last seem to be changing. Chairman Sir Adrian Cadbury is aiming for a material improvement in profits this year, the second in a five-year programme during the course of which the group is committed to improving the return on its existing assets, and to establishing a major presence in North America.

## New approach

Major changes are already apparent in the style of Cadbury Schweppes' management. During the early 1970s, diversification was the theme; stockbrokers Henderson Crosthwaite estimate that the group spent nearly £70m between 1972 and 1975 on acquisitions and overseas investments, most of them small and many of them unsuccessful. It was also spreading itself within its traditional businesses. Cadbury launched around 25 new products lined between 1972 and 1975, very few of which made any lasting impact.

Meanwhile the group was losing its grip on its strongest assets—its big brand names. "I don't think we had our priorities right," admits managing director Mr. Basil Collins. "With the apparent attraction of going out to look for acquisitions and new brands, we failed to see the overwhelming importance of supporting our existing products."

In real terms, advertising support for Cadbury's Dairy Milk chocolate was reduced sharply during the first half of the 1970s. And Rowntree Mackintosh, a major competitor, was able to sweep into the market for moulded chocolate bars with its startlingly successful Yorkie bar. Precisely the same thing happened at

**PUTTING THE HOUSE IN ORDER (1978)**

- UK drinks: concentrating production and closing down older factories.
- Typhoo Tea factory in Birmingham closed.
- Jeyes Ireland sold.
- Wines and spirits division "drastically reorganised."
- Peter Paul confectionery business acquired in the U.S. Confectionery production in Canada concentrated at one site; Montreal factory closed.
- In Australia, "intensified cost reduction" in confectionery division and plant rationalisation in the drinks business.
- Spanish business rationalised and restructured.
- Management of export division "significantly strengthened."
- Cutback in group stocks and debtors, measured in terms of weeks.
- Return on operating assets in the UK increased by some two percentage points.

Schweppes, which dominated the UK drink mixer trade ten years ago, and has since been subject to increasing pressure from brewers' own brands and from Hunts, which is owned by Becham. Henderson Crosthwaite reckon that spending on capital and advertising dwindled from 2.7 per cent of sales in 1972 to less than 1 per cent in 1975. And with it, down went Schweppes' market share.

Consultants were called in. Their brief was to produce an assessment of where the group stood in its different markets, from which management could decide on future strategies and objectives. The new thinking started to show through in the chairman's statement with the annual report three years ago:

"The policy is one of concentrating on our core businesses at home and abroad, and taking action to turn round any operating activities which are not making a proper contribution to the growth of the company."

That theme has been repeated many times since then, with two important additions. The first was a new emphasis on developing the major brands on an international rather than a regional basis. The other was the decision to build a much stronger base in North America.



Sir Adrian Cadbury—return to market orthodoxy

some way towards improving its UK production efficiency in the UK, and its return on operating assets rose from seven per cent to 15 per cent last year. And it has achieved a major shift in the geographic balance of its operations, with North America likely to rival Australia as the group's major overseas profits centre in 1979.

Sir Adrian says that there is still a considerable degree of rationalisation and modernisation to be done in the UK. During the next three years, there will be a definite reduction in the number of confectionery lines on offer, and this concentration of effort behind the major brands will lead to further savings in stocks, packaging, and production costs.

Elsewhere, allowances have already been made in the 1978 profit figures for the cost of closing more Schweppes bottling factories.

## Aiming high

In the short term, these efforts have had an adverse impact on profits. Overall promotional costs have been rising by about £10m a year. In 1978, two profits were held down by the cost of reorganisation in Canada, where Cadbury closed down excess confectionery capacity and made a sizeable loss, and of expansion in the U.S.

Mr. Collins believes that Cadbury Schweppes now stands poised to reap the rewards of its change in direction in the past two or three years. And they ought to be substantial, for the stated objective is a return of 25 per cent on operating assets at the end of the five-year period.

It would be unfair to judge the success or failure of the re-organisation simply on that basis. Such a return looks a very ambitious target for a group which is involved in a number of highly competitive businesses, many of which also have to reckon with political interference in their pricing decisions. Moreover a marketing company has always to trade current profitability off against the cost of future brand development.

But there is no doubt that the future of Cadbury Schweppes' management is now on the line. Managers, employees and shareholders have all had to show considerable patience in the last few years. In the early 1980s, they will be expecting the pay-off.

## Proving a secure haven in a sea of troubles

Ian Hargreaves on the British Transport Docks Board



Roger Taylor

Sir Humphrey Browne—crossing his fingers

FOR Sir Humphrey Browne, yesterday was a good day. He presented his eighth annual report since becoming chairman of the British Transport Docks Board and for the eighth successive year was able to say that last year was better than the one before.

The figures, given the fluctuations of Britain's trade in the period of his chairmanship, are remarkable. The Board has moved steadily from a pre-tax profit of £7.6m in 1971 to £29.7m in 1978. As a percentage of average net assets employed, the surplus has risen from 5.6 to 16.9, with a goal of 20 per cent by 1980.

Moreover, this performance has been achieved during a period when Britain's other major ports, Liverpool, London and Bristol have struggled from one financial mire to another, with only brief intervals of firm footing. Apart from a few very small ports, only those of Dover and Felixstowe, which have found themselves in the centre of the causeway as Britain has switched its trading emphasis away from the former colonies and towards Europe, can compare with the collective performance of the 19 ports of the British Transport Docks Board.

"We have undoubtedly been helped," Sir Humphrey concedes, "by the lack of interference from government. I have never had any problems in that respect, they just let us get on with it." Hardly surprising, given the financial record of the board and the fact that even in this year of crumbled Government pay guidelines, the board has stuck rigidly to 5 per cent with supplements of up to another 3 per cent in return for union agreements on reduced manpower; earlier starts to shifts or other "genuine" productivity improvements.

"Our wages bill will rise by 5 per cent this year," says Keith Stuart, the board's managing director. Both men are scathing about the phoney productivity bonuses with which the last round of pay bargaining has been littered. Their own firmness about the guidelines, they point out, was not a soft road. A 16-week strike at Grimsby has only just ended and the pay issue formed a sharp backdrop to a year of industrial troubles at the board's most important port, Southampton.

It is easy to forget in listening to Sir Humphrey applying to the state-owned sector of the

decision about a senior management job involved some 20 hours of discussion between himself and Mr. Stuart.

The area of manpower is, however, the crucial one. In spite of its shrinkage this year over pay generally, and over manning conditions at Southampton, the Board has never had a protracted slogging match over manning levels in its ports, even though it is subject to what Sir Humphrey describes as the "grotesque inflexibilities" of the national dock labour scheme, which make it extremely difficult to shed surplus manpower among registered dockworkers.

Part of the explanation is that none of the board's ports has faced the scale of change and obsolescence of the Mersey or London's upper docks, although at Hull the board's

situation was which in many ways similar. It was dealt with under Sir Humphrey, by natural wastage over a period of years and a refusal to hire extra men to deal with short-term peaks in the workload. As a result, says Mr. Stuart, there is no dockworker surplus in the board's ports, compared with average daily surplus of around 20 per cent in the Port of London. Allowing for extra staff taken on as a result of acquisitions of stevedore companies, the board estimates it has reduced jobs by 5,000 since 1971 with no loss of throughput.

There remains just one remaining that the the performance on the container berths at the port of Southampton. According to Sir Humphrey, the rate at which the port workers were moving boxes at Southampton in 1975 was as good as anywhere in Europe, except Antwerp. Since then a tide of industrial militancy has sapped efficiency and pushed the rate down into the low 20s of boxes per crane per hour, compared with the 30s to 40s typical at the big Continental ports and the 50s achieved by some U.S. and Far East ports. The same factors also took the port into the red in 1977 for the first time for seven years.

Sir Humphrey admits it has been a serious problem, but crosses his fingers and says the new shift-work system recently adopted by a final group of port workers should mean the start of the climb back to an acceptable level of efficiency.

## FINANCIAL TIMES

## INDUSTRIAL ARCHITECTURE AWARD 1979

**Applications**  
are now invited for the 1979 award for an outstanding work of industrial architecture in the United Kingdom. This is the thirteenth year of the award, which has proved a notable success, attracting over 800 entries for judgement in that time.

**Entries**  
The award is open to all designers of industrial buildings, both within the architectural profession and outside it. Nominations of buildings together with the necessary particulars, must be received not later than May 4, 1979.

**Conditions**  
Nominated buildings must have been completed within the two years ending December 31, 1978. A building may be nominated (subject to the time limitation) on two successive years.

**Nomination Forms**  
together with all particulars and conditions can be obtained directly from the Financial Times.

The award will be announced in December, 1979.

Please send me a nomination form and further details of the Industrial Architecture Award.

Name \_\_\_\_\_

Address \_\_\_\_\_

Post to:  
Financial Times  
Industrial Architecture Award  
Bracken House,  
10 Cannon Street,  
London EC4P 4BY

EITB

*Sir John Cohen  
1898-1979  
A Memorial Service  
will be held on  
Wednesday, May 9th 1979  
at Central Synagogue  
St. Portland Street, London W1  
6.15pm*

## Dynatron for a new lease of life...

Why stop at a car when your company could be leasing the world's most beautiful colour TV or audio... for less than £3 a week?

In today's executive suites and offices, TV and audio facilities are becoming an essential part of business life, keeping you in touch with local and international news.

Dynatron products are designed as elegant and timeless pieces of furniture and add an inspired decorative touch, to give an additional style to your boardroom. Why stop at the office... your wife would love one at home!

Incidentally, if you ever want an idea for a special retirement present—Dynatron is ready made.

DYNATRON  
Colour TV and Audio

By Application to the Secretary, Chairman of the Board, Dynatron Radio Ltd., 137 Dinton Walk, Cambridge CB6 8QD.

Please send me further details of your company's leasing plan.

Dynatron Radio Ltd., 137 Dinton Walk, Cambridge CB6 8QD.

Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_

PT1

IS YOUR  
CORPORATE PLANNING  
REALLY WORKING?

**BUSINESS WEEK**, a McGraw-Hill magazine, provides you with a chance to pinpoint opportunities and obstacles at a two-day conference on "Corporate Strategic Planning," June 11-12, at the Brussels Hilton, Brussels, Belgium.

**HEAR** case studies from ARMCO, DOW EUROPE, GENERAL INSTRUMENT, REED INTERNATIONAL LTD., THE SINGER COMPANY AND RHONE-POULENC.

**DISCUSS** ideas with representatives from STRATEGIC PLANNING ASSOCIATES, ARTHUR D. LITTLE, THE BOSTON CONSULTING GROUP, CLINICAL SCIENCES INC., and others.

**LEARN** about the newest tools and techniques like lateral thinking; alternative futures; investment opportunities in the U.S.; maximizing the use of the computer in the planning process; improving planning productivity and more.

For more information, write to **BUSINESS WEEK's "Corporate Strategic Planning Conference,"** c/o Dora Bell, McGraw-Hill, 34-36 Dover Street, London W1X 3RA, England.

# Animal spirits and taxation

BY PETER RIDDELL

ONE OF Mr. Healey's favourite themes during the election has been to question the incentive effects of cutting the higher rates of tax. He has claimed that "Mr. Heath spent his last two years in office complaining that, although he had cut tax on the wealthy in the way he had been asked to do by the CBI and the Institute of Directors, he was getting no return whatever from them in the form of increased effort and increased investment."

This is, to say the least, a partial view of the record but it does represent almost the only discussion so far in the campaign of the underlying assumption of the Tories' tax-cutting pledge. The Conservative manifesto is quite explicit that cuts in income tax are necessary to restore incentive and thus to allow Britain to become more productive and more prosperous.

## Good reasons

There may be—and I believe are—good social and political reasons for reducing the present marginal rates of income tax at both the top and the bottom ends of the scale. But this leaves open the question of whether there will be a consequent improvement in economic performance.

The academic evidence is inconclusive. Various studies into the motivation of workers and business have generally been rather circular in their analysis of the incentive argument. Of more relevance perhaps is the recent discussion of deindustrialisation. In the recent National Institute's book on the subject Mr. David Stout of the National Economic Development Office said that those observers "who lay the blame on the alleged disincentive effects of high personal income tax rates have to accommodate the evidence of tax structures that are in some senses more progressive in other economies."

On Mr. Stout's view these observers also have to acknowledge that "the experience of failure in industrial markets was as prevalent when the UK top rate of income tax was no more than 7 per cent (just before the First World War)." According to Professor Sir Henry Phelps Brown, this indicates "how minor a role tax-

## No miracle

These are all valid reasons for wanting to reduce taxes, but where I part company from tax-cutting enthusiasts like Mr. Michael Edwardeis of BL is in their belief that such changes are quite so important for the revitalisation of British management. It is at least open to debate whether senior managers in ICI or M&Rs and Spencer will work any harder than they do at present. Perhaps the real point is to encourage executives in smaller companies to emulate such high-fliers. Certainly any change which helps to encourage risk-taking is welcome. But tax cuts are not some kind of miracle cure for economic ills dating back a century, though they may aid recovery. The animal spirits of British capitalism may not be so easily aroused.

Rickman, who for the most part leaves the eight to give their individual views and attitudes to a profession in which all have made it to the top, has been rewarded with some fascinating quotes.

Mick Easterby, for example, tells us of his favourite type of runner—"it's not to be a fair-haired sort of bay horse, well made and well balanced. I know the gallop in all shapes but I must have a well-made horse."

The shrewd Yorkshireman then gives a typically forthright

view on buying. "I don't believe in paying big prices. I like to be out of fashion. If you buy in fashion you pay through the nose. The majority folk at the sales are like sheep. The thing is that when they're in we go to the other."

Mick Easterby's policy certainly paid off with Lochnair, a Dunbarrie colt, who became a champion sprinter with race course earnings of £70,000 and eventually, reciprocated for £260,000.

## LONDON GARDENS

are infamously at the mercy of dogs, shade and neighbours. It is not long since I was treated by a rising lawyer to the sad tale of his best powered hedge-clippers. Out in a district in the south-east, he lived in a road of long thin gardens. They were filled with children and rabbits and edged with that species of privet which seems to exist only to be clipped every Saturday morning on the way back from the betting-shop. All down the street, men in braces were brandishing their hand-shears. One morning's use of the best from Black and Decker convinced him that it could not be repeated.

## Too far

A line of low glances seemed to accuse the marginality of such white-collar work. The tool-shed, he imagined, would never be safe again. They would be asking, next, where he had pinched them. In fact, he was simply holding the shears upside down and cutting too far into last year's wood.

Whatever your area, I command you to a new annual on neighbours, shade and dogs to which I wish the best of luck. The London Garden Book for 1979 is a mere £1.95. All proceeds are to go to the National Children's Scheme, now in its

32nd year. From there, they go on to the funds of district nurses and other nurses in need.

That might be a weak reason for buying an annual, rather than sending a gift, unless the annual was some use. This one is not only useful, it is also rather fun and prettily produced.

How many Londoners have any idea how many good gardens are open to them during the summer? When the lilacs bend over the high walls of W8, one tries to jump or peer through the back gates to see what fits in behind. I have learnt from some fine London front gardens: huge yuccas and pleached limes, chequer-board patterns of paving-stones and creeping thyme, superb camellias and small square tubs of lavender and the early rose canary bird, a long-neglected pot-plant. But it takes a guide book like this to remind us what can actually be visited at the back of the house: 5, Highgate Gardens on June 24, green and white borders in Selwood Place, Bewley Nichols and his fauna on the edge of Hampstead. There is a busy summer of Sundays for you between these covers unless you insist on taking the dog with you too: flamingoes in Whitley Straight's aviary, a grotto in Barnsbury Square and plants for sale on June 3 in two good gardens in Chiswick Mall.

It does not end there. Nearly 30 pages list every sort of supplier and tradesman for gardeners all over England. Names for statues, pots and illustrations, spring surprises even on this reader who thought he knew where to find them all. Incidentally, the many of you who want these elegantly-shaped terra-cotta pots which distinguish each town garden in Italy can now be sure of them at a



## GARDENS TODAY

BY ROBIN LANE FOX

It does not end there. Nearly 30 pages list every sort of supplier and tradesman for gardeners all over England. Names for statues, pots and illustrations, spring surprises even on this reader who thought he knew where to find them all. Incidentally, the many of you who want these elegantly-shaped terra-cotta pots which distinguish each town garden in Italy can now be sure of them at a

reasonable price from Imports From Tuscany, 18, Brook Green, London W6 7EL—£22 for a 24-inch terra-cotta pot with the familiar pattern of swags and ridging does not seem excessive. In London, delivery is free. You could do worse than blow your next tax cut on a pair of these pots, filled with peat and bulbs of reflexed lily specimenum, still in the planting season. Imports all the way, of course, cannot get at them.

If you are rich enough to afford Lady Harlech's recipes, writes Lady Merton wryly, herself a noted country gardener in view to the public at the Old Rectory, Burghfield, near Reading, you are also rich enough to use aerosol sprays like Rapid in order to kill off London greenfly at a stroke. She has some pertinent tips for town gardeners, not least on dogs where she urges us all to switch

## Profiles of eight top trainers

AN INSIGHT into the life of a trainer by one of racing's most experienced journalists, "Racing Flat-Racing Stables", by Michael Rickman and published by Hodder & Stoughton, of Henry Cecil, John Dunlop, Mick Easterby, Dick Hern, Barry Hills, Jeremy Hindley, Bruce Hobbs and Peter Walwyn.

## RACING

BY DOMINIC WIGAN

view on buying. "I don't believe in paying big prices. I like to be out of fashion. If you buy in fashion you pay through the nose. The majority folk at the sales are like sheep. The thing is that when they're in we go to the other."

Mick Easterby's policy certainly paid off with Lochnair, a Dunbarrie colt, who became a champion sprinter with race course earnings of £70,000 and eventually, reciprocated for £260,000.

One of Easterby's colleagues with an even more dramatic story to relate in terms of "hitting the jackpot" with a yearling purchase is Barry Hills. He recalls that at Royal Ascot in 1971 he met Henry Zeisel who said he wished to buy a horse and was willing to pay £3,000. Hills says "he (Henry Zeisel) wrote one of the very few letters he has ever sent me enclosing a cheque for £1,500 deposit for the horse. I went to the sales and bought him Rhoingford..."

The colt, Pigott's first "Arc" winner won nearly £400,000 in stakes and was syndicated for £1m.

The book also includes statistical analysis by Dorothy Laird on each of the stables and some memorable photographs including one of Bruce Hobbs and Peter Walwyn.

It does not end there. Nearly 30 pages list every sort of supplier and tradesman for gardeners all over England. Names for statues, pots and illustrations, spring surprises even on this reader who thought he knew where to find them all. Incidentally, the many of you who want these elegantly-shaped terra-cotta pots which distinguish each town garden in Italy can now be sure of them at a

reasonable price from Imports

From Tuscany, 18, Brook Green,

London W6 7EL—£22 for a 24-inch terra-cotta pot with the

familiar pattern of swags and ridging does not seem excessive. In London, delivery is free. You could do worse than blow your next tax cut on a pair of these pots, filled with peat and

bulbs of reflexed lily specimenum, still in the planting season. Imports all the way, of course, cannot get at them.

If you are rich enough to afford Lady Harlech's recipes, writes Lady Merton wryly, herself a noted country gardener in view to the public at the Old Rectory, Burghfield, near Reading, you are also rich enough to use aerosol sprays like Rapid in order to kill off London greenfly at a stroke. She has some pertinent tips for town gardeners, not least on dogs where she urges us all to switch

to a bitch for the sake of the border plants. The soda-syphon is the only one-off remedy if your guests bring a male who cooks his leg, canine or otherwise, on anything alive. Squirt it on the plant, not the offender, and it will prevent scorching.

I leave it to you to enjoy Lady Merton's recipe for slugs-hunts in SW1, a scene from the television programme "The Good Life," enlarged by a first-hand knowledge of slugs' facility for crawling out of dust bins.

## Good taste

Lanning Roper does a brisk tour through plants for shade, showing a rare combination of experience and good taste. You cannot improve, in his view, on good lily-of-the-valley. As its season approaches, I agree. Peter Coats has words on Kew and the double coconut from the Seychelles which "look like a giant pair of boxing-gloves." There are bits on bees, this year's Victoria and Albert show and an advertisement for the admirable Garden History Society. Prettily laid out by the Compton Press, it is all a worthy companion to this year's of the garden visitor, the backbone of which remains the scheme for our nurses' benefit. It looks well set for a long and amusing run.

## ENTERTAINMENT GUIDE

### OPERA & BALLET

COLISEUM. Credit Cards. 01-240 5226.

Reservations 01-631 3161.

Evening 8.00. Mat. 2.00.

Tues. Sat. Sun. 7.00. Carmen.

Tues. Sat. Sun. 7.00. The Marriage of Figaro.

Tues. Sat. Sun. 7.00. Don Giovanni.

Tues. Sat. Sun. 7.00. The Magic Flute.

Tues. Sat. Sun. 7.00. The Merry Widow.

Tues. Sat. Sun. 7.00. The Royal Ballet.

Tues. Sat. Sun. 7.00. Swan Lake.

Tues. Sat. Sun. 7.00. Divas.

Tues. Sat. Sun. 7.00. The Nutcracker.

Tues. Sat. Sun. 7.00. The Queen of Spades.

Tues. Sat. Sun. 7.00. The Taming of the Shrew.

Tues. Sat. Sun. 7.00. The Merry Widow.

Tues. Sat. Sun. 7.00. The Queen of Spades.

Tues. Sat. Sun. 7.00. The Merry Widow.

Tues. Sat. Sun. 7.00. The

## THE ARTS

هذا من المهم

Banqueting House, Whitehall

## English Bach Festival

by NICHOLAS KENYON

Musical London's annual fire-works display burst into life again on Monday. As in all the best fireworks parties, there's a quality of wild unpredictability about Anna Lalandi's *Bach Festival*. Some of the displays fizz out, some shoot in quite unexpected directions, some glimmer and are lost without trace, and others shine with an illuminating glare which dazzles the eyes.

The most consistently revealing light of the last few festivals has been directed on the French baroque repertoire, and what it has shown us can be summed up in half a sentence: you can't understand this music until you see it danced. Only Miss Lalandi could have the nerve to present an evening of baroque dance in an unranked hall (even one so elegant as Inigo Jones' Banqueting House), mixing French and English music and costumes in a curious manner; but, at least from a privileged position in the front row, the results were remarkable.

The poise and style of the Festival's dancers, trained for several years now by Belinda Quirey and Michael Holmes, has increased: the twisting hand gestures, gracefully jerky steps and swirling circles of the girls' skirts and men's head plumes all have real balance and grace and lack only fiery precision, authentic or not. I cannot judge, but it matches the drawings and engravings one has seen. Last night they illuminated Jean-Féry Rebel's superbly displayed piece *Les Éléments*, a fury of earth, air, fire and water specially written to show off the talents of Paris dancers after the evening's opera had finished.

Disappointing that Mr. Holmes did not grasp the nettle of choreographing the marvelously original opening depiction of the elements emerging from chaos (represented by a vivid tumble of all eight notes of the scale on top of each other); but each element displayed its characteristic with beautiful formality. In the succeeding dance movements, more surprising, because the music is much more familiar, was the treatment of Handel's *Water Music* (in what one must imagine was a court performance—the movements would have been a danger to life and limb aboard a Thames barge).

Here the performance proved that we usually play this music with too violent extremes of speed: a relaxation of tempo and clarity of articulation were both necessary and welcome in the fast movements (like the famous Bourrée, where the dancers' grace forced the players to give the music space to breathe), while the continually rhythmic walking patterns of the immortal Air never flagged as the dancers wove their subtle patterns around it. (Miss Quirey showed real musical sensitivity here: an elegant raising of the heels over the music's bass lines exactly matching Handel's suspensions.)

Perhaps wisely, the baroque band played without a conductor: violinist Simon Strange and harpsichordist John Toll led the proceedings with verve, there was nothing wrong with the lively playing, and a couple of extra rehearsals would not have cured, and the sonorities of the original instruments were given a lovely bloom by the perfect double-cube of Inigo Jones' building. Why does no one design high concert halls any more?

On ITN a similarly well known group will be supporting the main presenters. Anna Ford will be with Mrs. Thatcher, Reginald Bosanquet with Mr. Heath, and Julian Haviland, Leonard Parton, and Peter Sissons will all be in evidence too. On the basis of a survey at 114 polling stations ITN will be offering a forecast of the result as soon as they come on the air. Last time they were remarkably accurate.

Even with the outcome delayed by the slight complication of simultaneous local elections, Guildford or some such place should start producing the actual results before midnight (provided they draft enough wage clerks and bank tellers into the count) and television and radio could, depending on the outcome, tell us who has won in the early hours on Friday.

The nationwide sighs of relief at the very thought of it all being over are practically audible as I write because, as usual, the most common attitude towards the election campaign as depicted on television seems to be one of intense weariness and boredom.

To the extent that it is based upon honest individual assessments of the programmes, that reaction may be entirely justifiable. But to the extent that it is instead, merely a learned response—or more simply a fashionable bad habit—it is, surely, sad and deplorable since

it is often claimed that the contrast between Parliamentary affairs and the pettiness of election campaign programmes

## Television

## A listless campaign on the screen

by CHRIS DUNKLEY

There are just eight days to go until we can all make our marks on our little pieces of paper, go home, open a bottle, and switch on. If we choose BBC-1 we shall

find David Dimbleby (following in yet another set of his father's footsteps), Angela Rippon, and Rover (the new computer) all making first-time appearances on a General Election results programme. If we choose ITN we shall find the more familiar team of Alastair Burnet, Peter Snow, and the VT30 computer.

Backing up Dimbleby and Rippon at the BBC will be a full supporting cast: Robert McKenzie with his swingometer, David Butler (covering his 11th General Election) with instant seismology, and Robin Day with his bow tie, his panel of patient politicians, and—if form is anything to go by—the occasional tail-tale wisp of cigar smoke when the camera cuts to him a bit too fast.

John Bright remarked that England is the mother of parliaments, but it is the offspring overseas which have moved with the times and extended the logic of representative democracy by taking the television cameras inside their parliaments.

With a symbolism which can hardly be missed either here or abroad, mother's original has remained obstinately private, voting repeatedly, if narrowly, to keep the cameras—in other words the electorate—out.

It is a typically British piece of hypocrisy to claim the virtue of the principle of public access in the form of a gallery while ensuring that in practice the population at large is prohibited from seeing what goes on even though the means exist to enable us all to watch. As a symbol it must stand at the pinnacle of the mountain of secrecy which engulfs more and more of British public life like some creeping slagheap.

This is not to suggest that televised debates would always or even usually command large audiences: clearly most of them would not. Yet it seems quite wrong to reach that conclusion by assuming an extension of the present public attitude to television coverage of general elections.

Anyone who has had the time and the luck to get a seat in the public gallery at the House of Commons knows that during Parliamentary debates politicians do actually argue about real political principles, quite often with passionate conviction. Not all of them of course, and not all the time. But enough of them to prove that their abilities are not limited to the scoring of petty party political points in which they have indulged so often on television during election campaigns.

It is often claimed that the contrast between Parliamentary affairs and the pettiness of election campaign programmes

it looks like yet more evidence that ours is becoming a tired and effete society.

Which represents chicken

and which egg it is hard to say,

but as a nation we neither treat

politics with much passion nor

even direct involvement in the

ordinary way, nor organise our

broadcasting services so that

(outside election campaigns)

they can give us a really good

supply of political programmes.

John Bright remarked that

England is the mother of

parliaments, but it is the

offspring

overseas which have moved

with the

times

and

extended

the logic of

representative

democracy by

taking the

television

cameras

inside their

parliaments.

With a symbolism which can

hardly be missed either here or

abroad, mother's original has

remained obstinately private,

voting repeatedly, if narrowly,

to keep the cameras—in other

words the electorate—out.

It is a typically British piece

of hypocrisy to claim the virtue

of the principle of public access

in the form of a gallery while

ensuring that in practice the

population at large is prohibited

from seeing what goes on even

though the means exist to enable

us all to watch. As a symbol it

must stand at the

pinnacle of the

mountain of

secrecy which engulfs more and

more of British public life like

some creeping slagheap.

This is not to suggest that

televised debates would always

or even usually command large

audiences: clearly most of them

would not. Yet it seems quite

wrong to reach that conclusion

by assuming an extension of the

present public attitude to television

coverage of general elections.

For this campaign there does

appear to have been some

improvement, particularly

in ITV programmes. Bickering

has been less prevalent, though

there has still been plenty of it.

This week's *Panorama*, for

instance, with Francis Pym

defending the Conservative

Party manifesto against the

onslaught of Labour MPs. Joe

Ashton and Brian Gould might

have been designed to

show Britain's

adversative

system at its very worst.

And the more expensive,

slick and commercial the *Party*

*Political Broadcasts* become,

with the Conservatives hammering away at "Labour's problems" and Labour hammering away asking "What will Tory

promises cost?" Instead of

either side pressing its own

basic philosophy (as distinct

from piecemeal policies) the more cynical about such advertisements the viewers become. And rightly so.

Moreover it is unfortunate that the broadcasters have failed to sustain, or anyway have not so far achieved in this campaign, the levels of interest and inventiveness in their own programme formulae which they managed in February 1974. On that occasion Granada alone introduced two highly successful ideas with *The Granada 500* (in which the public confronted and questioned politicians) and *World in Action*'s 3,000 miles on the stump with comments from Richard Crossman and Sir John Foster.

However, even without such programmes (up to the time of writing) ITV are well ahead—and the reason why emerges as one lists their better programmes: in *TV Eye* Lew Gardner has been doing his most brilliant work, and in *Eye* he has been dogged and unrelenting interviews. On *The London Programme* (apologies to others in other regions) Godfrey Hodgson, chairing a discussion on housing, brought the best out of both Peter Shore and Hugh Rossi. And above all, Brian Walden has at last come into his own at *Weekend World*. Admittedly one had to sit through an unforunately tedious lesson on tax before discovering this and on Sunday morning what's more. Yet when Walden finally started putting Michael Heseltine, Richard Wainwright and Peter Shore through their vivas with a knowledge, liveliness and enthusiasm which recalled his highly effective debating style in the House of Commons.

Admittedly one had to sit through an unforunately tedious lesson on tax before discovering this and on Sunday morning what's more. Yet when Walden finally started putting Michael Heseltine, Richard Wainwright and Peter Shore through their vivas with a knowledge, liveliness and enthusiasm which recalled his highly effective debating style in the House of Commons.

The star was Montserrat Caballé, who sang the part of Mina, the adulterous and repentant wife. Caballé, in her stage appearances in recent years, has frequently evidenced a kind of bored detachment; she produces beautiful sounds, but seldom gives them any dramatic tension. Curiously, in concert performances she is much more committed; and in this *Aroldo* she was intense, moving, very much in her part. The sound was not always beautiful, as a matter of fact; but it was always cogent.

The part of *Aroldo* is less interesting, but the Italian tenor Gianfranco Cecchelli (except for one misplaced entrance) sang the music accurately and passionately. He too was better in this concert opera than he has been on the stage recently. The voice no longer has its pristine sweetness, but it is strong and secure. The baritone Juan Pons was outstanding for his powerful and commanding presence.

The range of Mrs. Queler and of her organisation was splendidly demonstrated earlier in the season when, also at Carnegie Hall, she conducted a concert performance of Janáček's *Káťa Kabanová*. The piece is not entirely unknown here, but it is very rarely heard (and has not entered the repertory at either of the city's opera houses). It is rarely heard anywhere (outside of Czechoslovakia) as well as at the Royal Opera House.

The leading singers—Gabriela Benáčková in the title role and Nadežda Kralíková as the seducer Godvino, deserves special mention for her alert musical participation.

Eve Queler conducted the Opera Orchestra with great energy and meaning. The smaller roles were well cast (Vincenzo Manno, in the second-tenor role of the seducer Godvino, deserves special mention for his alert musical participation).

The range of Mrs. Queler and of her organisation was splendidly demonstrated earlier in the season when, also at Carnegie Hall, she conducted a concert performance of Janáček's *Káťa Kabanová*. The piece is not entirely unknown here, but it is very rarely heard (and has not entered the repertory at either of the city's opera houses). It is rarely heard anywhere (outside of Czechoslovakia) as well as at the Royal Opera House.

The part of *Aroldo* is less interesting, but the Italian tenor Gianfranco Cecchelli (except for one misplaced entrance) sang the music accurately and passionately. He too was better in this concert opera than he has been on the stage recently. The voice no longer has its pristine sweetness, but it is strong and secure. The baritone Juan Pons was outstanding for his powerful and commanding presence.

The range of Mrs. Queler and of her organisation was splendidly demonstrated earlier in the season when, also at Carnegie Hall, she conducted a concert performance of Janáček's *Káťa Kabanová*. The piece is not entirely unknown here, but it is very rarely heard (and has not entered the repertory at either of the city's opera houses). It is rarely heard anywhere (outside of Czechoslovakia) as well as at the Royal Opera House.

The part of *Aroldo* is less interesting, but the Italian tenor Gianfranco Cecchelli (except for one misplaced entrance) sang the music accurately and passionately. He too was better in this concert opera than he has been on the stage recently. The voice no longer has its pristine sweetness, but it is strong and secure. The baritone Juan Pons was outstanding for his powerful and commanding presence.

The range of Mrs. Queler and of her organisation was splendidly demonstrated earlier in the season when, also at Carnegie Hall, she conducted a concert performance of Janáček's *Káťa Kabanová*. The piece is not entirely unknown here, but it is very rarely heard (and has not entered the repertory at either of the city's opera houses). It is rarely heard anywhere (outside of Czechoslovakia) as well as at the Royal Opera House.

The part of *Aroldo* is less interesting, but the Italian tenor Gianfranco Cecchelli (except for one misplaced entrance) sang the music accurately and passionately. He too was better in this concert opera than he has been on the stage recently. The voice no longer has its pristine sweetness, but it is strong and secure. The baritone Juan Pons was outstanding for his powerful and commanding presence.

The range of Mrs. Queler and of her organisation was splendidly demonstrated earlier in the season when, also at Carnegie Hall, she conducted a concert performance of Janáček's *Káťa Kabanová*. The piece is not entirely unknown here, but it is very rarely heard (and has not entered the repertory at either of the city's opera houses). It is rarely heard anywhere (outside of Czechoslovakia) as well as at the Royal Opera House.

The part of *Aroldo* is less interesting, but the Italian tenor Gianfranco Cecchelli (except for one misplaced entrance) sang the music accurately and passionately

Wednesday April 25 1979

## Wanted—policy for the EEC

IT IS INEVITABLE, perhaps, that most of the election campaign so far should have been devoted by all parties to domestic issues, and in particular to domestic economic issues. These are, after all, the questions which will most directly affect the ordinary voter, and it is right and proper that the rival and conflicting promises of a more prosperous future should dominate the public debate. Indeed, if there is one question which is fundamental to the campaign, it is: which party is more likely to reverse our decline relative to our main economic competitors.

## Prosperity

It is nevertheless, a pity that the major political parties have devoted so little space to foreign policy issues in their manifestos, and this lack is reflected in a corresponding paucity of foreign policy discussion on the election platforms. It must be obvious to the politicians, if it is not obvious to the majority of voters, that in a relatively open international environment, Britain's prosperity depends crucially on our political and economic relations with the outside world, and most especially with the European Community, which accounts for such a large proportion of our foreign trade. Yet it is difficult to deduce from the manifestos that the major parties wish to persuade the electorate of the importance of the Community, or have developed a coherent policy towards the Community. The one foreign policy problem which has figured prominently so far is the European Community's Common Agricultural Policy (CAP), which the Socialists, the Conservatives and the Liberals have all promised to try to reform. In particular, they all want to freeze (or reduce) the level of the so-called "common prices" so as to eliminate the vast and costly structural surpluses which have bedevilled the Community for so many years, and which constitute the main burden on the Community budget. The reforming thrust of the Conservative position is somewhat blunted by its need to appeal to the farming community: it has promised to devalue the artificial "green pound," thus raising the prices paid to British farmers, and to resist the Commission's proposal for a tax on milk producers which is

intended as a deterrent against the enormous dairy surplus. What is difficult to determine from the manifestos is just how the rival parties expect to be able to carry out their promised reforms.

## Price freeze

Mr. Sam Silkin, the Labour Agriculture Minister, struggled for many weeks to persuade his Common Market partners to agree to a farm price freeze. All he achieved was a postponement of any central price decision until after the British election, and in the process he sacrificed the chance of a milk levy which might have helped to put some restraint on the cost of the farm policy and thus on the size of the British commitment to the Community budget. If Labour is returned to power, no doubt Mr. Silkin or his successor can return to the fray, but it would be idle to imagine that he will find it any easier to persuade his counterparts to agree to a price freeze after the election than he did before. The Labour manifesto claims that the party will actually seek to reduce common farm prices; and while this is an even more laudable aim, it does not attempt to explain how it will be done.

The fact of the matter is that the Community is a common enterprise, in which decisions taken unanimously can only be changed unanimously. The Conservative manifesto claims that Britain's bargaining position has been damaged by the "constructive and malvolent" attitude of Labour Ministers, and there may be something in this. A large proportion of the Labour Party remains hostile to the Community, and the manifesto makes this hostility very clear: not only would the party make ministers accountable to the House of Commons before any decisions were taken in the Council of Ministers, but it would seek powers to enable the House to amend or repeal Community legislation.

## Scapgoat

The Community is not popular in this country, and it has been made, to a quite excessive extent, the scapegoat for our economic shortcomings. But no government which takes an overtly negative attitude to it can expect to find it easy to introduce reforms which would benefit the UK.

## The clouded aftermath of the riot at Southall

SOUTHALL, WITH one of the largest immigrant populations in the UK, was yesterday counting the cost of Monday's bloody riot, which left one man dead, scores injured and police and demonstrators beaten and bruised.

This is not the first time that Anti-Nazi League supporters have clashed with police while attempting to disrupt National Front meetings. However, the strong involvement of many of the local immigrant population in many of Monday's violent scenes would appear to be in marked contrast with the Lewisham riot of August, 1977.

Then the battle was between largely white demonstrators, most of them imported into the area to stage a counter demonstration against a National Front rally. Eye-witnesses of the Lewisham clash—comparing it with Monday night's battle—say that there was a much smaller degree of involvement by local coloured people.

Unlike the Lewisham affair, the birth of the Southall riot appears to have been a violent clash between local Asian youths and police which took place several hours before the main Anti-Nazi League demonstration was to start.

The Anti-Nazi League founded 18 months ago in response to National Front success at GLC elections, started out as a loose coalition of moderate and Left-wing pressure groups. The basis of the ANL is the triumvirate of Mr. Paul Holborow of the Socialist Workers' Party, Mr. Peter Hain, the anti-apartheid campaigner, and Mr. Ernie Roberts, former assistant general secretary of the AUEW. Under their leadership the league has drifted away from being a relatively catholic collection of trade unionists, Labour politicians and local councillors towards the more

dogmatic line of the Socialist Workers' Party.

This tendency seems to have won the League support among young West Indians who make up the backbone of the League's frequent rallies. But adherence to SWP views has also cost the League the backing of many of its original moderate supporters and of members of the Jewish community, one of its most potentially powerful natural allies in fighting neo-Nazism. The Jews cannot accept the SWP's virulent anti-Zionist and pro-Palestine Liberation Organisation stance.

Statements made yesterday by Southall immigrant leaders suggest that relationships between the police and local residents—particularly the young—may not have been good for some time. And this may have been an added ingredient in the worst incidents. I think some of the police behaviour was disgusting.

This, however, still begs the question of how much of the violence may, or may not, have been organised by the counter demonstrators, and how much was purely spontaneous combustion.

The police view appears unequivocal. A senior police officer said yesterday that it had been known for some time that violence was likely and talked of agent provocateurs being in the area for several days ahead of the riot.

This view is totally opposed by the Anti-Nazi League and the Indian Workers Association, prime movers in organising Monday's counter demonstration against the National Front. Both the ANL and the IWA strongly criticised the police for over-reacting and using brutal methods.

A meeting of Southall Asians organised by the IWA yesterday called for coloured people in Britain to support a nationwide protest campaign against police handling of the affair.

believe that one particular demonstration is likely to lead to trouble, they can apply for it to be prohibited. If granted, however, the prohibition applies not only to that particular demonstration but to any others planned in the relevant area for a limited period.

The clear intention is to avoid discrimination between one set of demonstrators and another.

The part of the Act covering public processions has been used quite frequently and was applied in London as recently as last year following rioting in Lewisham. Mr. Merlyn Rees, the Home Secretary, told the House of Commons on February 27, 1978, that the Act was being reviewed and the Labour Party manifesto for the general election repeats the promise to attempt to clarify it. But it has

proved consistently difficult to place and the meeting therefore proved accordingly.

One of the problems is that it is hard to legislate about public meetings without restricting freedom of speech. The right to hold a meeting is a fundamental one, and the law covers only what happens there. The 1936 Act lays down that "any person who in any public place or at any public meeting uses threatening, abusive or insulting words or behaviour with intent to provoke a breach of the peace or whereby a breach of the peace is likely to be provoked is guilty of an offence."

The trouble is that the offence has to take place before anything can be done about it. It cannot be assumed that the holding of a particular meeting might lead to the offence taking

intimidated. "They asked for what they got," said one particularly bitter police constable who had been present during the riot.

The police were undoubtedly well prepared for Monday night—on the basis of what they say there was prior knowledge that violence would be used by at least some of the opponents of the National Front meeting.

Mr. Martyn Grubb, principal

community relations officer for the nearby Borough of Ealing, of which Southall is part, said:

"Some of the violence was provoked by the police. The Special Patrol Group were responsible and it was they who were involved in the worst incidents. I think some of the police behaviour was disgusting."

Mr. Paul Holborow, National Secretary of the Anti-Nazi League, said that there was evidence that the death of Mr. Blair Peach, an ANL supporter, in Monday's demonstration was the result of a police charge.

Other allegations included coloured youths being pushed to the ground and beaten, Asian women being clubbed and sustained police abuse, largely aimed at immigrants.

Officially the police are saying little about these allegations ahead of a report to the Home Office and pending a coroner's inquiry into the death of Blair Peach.

However individual officers at Southall yesterday were bitter about Monday night's events and subsequent criticism.

Officers reported repeated unprovoked attacks on police: incidents of "noxious substances" being squirted in the faces of officers, windows being smashed and passers-by being

intimidated. "They asked for what they got," said one particularly bitter police constable who had been present during the riot.

The result, in his view, is a nation which has taken upon itself responsibilities without power. The responsibilities were, he says, embodied in the British Nationality Act of 1948, extending British citizenship to the people of the Empire, and opening the door to successive waves of immigration. The process, he maintains, is bound to upset the natural order of things.

"The reason why we say increasing trouble is inevitable is this: people come together to form a nation. They evolve a body of laws and a national psychology which suits them. When other peoples—Indian, West Indian and so on—are introduced, they bring their own traditions. They are bound to clash," Mr. Webster said.

The National Front's analysis is that the organisation, stresses that the ANL does not go in for "punch-up politics."

"Around 95 per cent of our

demonstrators are peaceful, like the carnivals organised last year. We do try to organise marches and demonstrations properly and ask supporters to behave in a disciplined fashion," said Mr. Hain.

There are however some

activists within the ANL ranks who have indicated that they at least are prepared to use violence when prevented from pursuing what they regard as a just cause.

Mr. Hain himself admits that

there are widely differing views

within ANL as to how its

objectives should be achieved.

He was at pains however to

stress that violence erupted

among local people long before

the counter demonstration was

due to take place. "Also," he

says, "out of the 2,000 ANL

supporters at the demonstration

around half were local people."

Allegations and counter alle-

gations are likely to continue

for some time yet but the bitterness

must not remain for a long

time. There is no guarantee

that similar tragedies will not be repeated during this election campaign.

The middle class, according

to Mr. Webster, has lost its

capacity to rule, and has

retreated into a vigorous

respectability. It is in the

working class—and he sees the

Front as a working class move-

ment, admitting without regret

that its middle class support

has waned—that the requisite

militancy and latent patriotism

can be nurtured.

"My people tell me we have

massive support among football

crowds. It's there where

the cultural inhibitions are

dropped, and the youngsters

can respond as a body. Cultural

nationalism is now part of the

traditions of working class

youngsters: you'll see it

reflected when they can vote.

In comments like this, and in

the appeal of the manifesto for

a "new type of man," together

with a programme of economic

nationalism and a view of

bourgeois culture as "decadent,"

the Front strikes a number of

chords closely reminiscent of the

themes in Italian Fascism and

German National Socialism—

ironically, as its more notorious

racism receives less stress.

However, it is uncompromis-

ing racism which keeps it as

highly visible and which will

continue to provide a battle

ground for a number of forces in

British society. The Front is no

concerned with respectability or

consensus in the sense in which

they are currently understood

it is concerned with confrontation, and it makes sure it will get it.

Malcolm Rutherford

## National Front beliefs

For Mr. Martin Webster, the National Front's organiser and best known figure, the incidents around Southall Town Hall on Monday night were the end product of a century of British political decline, greatly exacerbated by 30 years of liberal immigration policies.

The result, in his view, is a nation which has taken upon itself responsibilities without power. The responsibilities were, he says, embodied in the British Nationality Act of 1948, extending British citizenship to the people of the Empire, and opening the door to successive waves of immigration. The process, he maintains, is bound to upset the natural order of things.

"The reason why we say increasing trouble is inevitable is this: people come together to form a nation. They evolve a body of laws and a national psychology which suits them. When other peoples—Indian, West Indian and so on—are introduced, they bring their own traditions. They are bound to clash," Mr. Webster said.

The National Front's analysis is that the organisation, stresses that the ANL does not go in for "punch-up politics."

"Around 95 per cent of our demonstrators are peaceful, like the carnivals organised last year. We do try to organise marches and demonstrations properly and ask supporters to behave in a disciplined fashion," said Mr. Hain.

There are however some activists within the ANL ranks who have indicated that they at least are prepared to use violence when prevented from pursuing what they regard as a just cause.

Mr. Hain himself admits that

there are widely differing views

within ANL as to how its

objectives should be achieved.

He was at pains however to

stress that violence erupted

among local people long before

the counter demonstration was

due to take place. "Also," he

says, "out of the 2,000 ANL

supporters at the demonstration

around half were local people."

Allegations and counter alle-

gations are likely to continue

for some time yet but the bitterness

must not remain for a long

# Union power: how America copes

BY JOHN WYLES IN NEW YORK

ANY EUROPEANS, particularly the British, are frequently in awe of the way in which Americans run their industrial relations. Mr. Geoffrey Howe and Mr. Robert Carr, as they were eight years ago, bought the U.S. system so admirable that they used its legal framework as a model for the ill-fated Industrial Relations Act which so seriously soured relations between Mr. Heath's Conservative Government and the British unions.

Whether U.S. industry is actually less strike-prone than Britain's is not entirely clear. At the moment the casual British visitor to the U.S. might feel less apologetic about his country's record and could draw comfort from a recent 10-day national strike in U.S. trucking, the current shutdown of United Airlines, the country's largest air carrier, and strikes in the North East by steel hauliers, milk delivery drivers and New York tugboat men.

But Americans are somewhat less excitable about strikes than the British, partly because they are within a legally regulated framework which defines legitimate and illegitimate stoppages, and partly because media coverage is more sceptical and generally less anxious to stress the anti-social elements of strikes.

The International Labour Office has produced somewhat suspect comparisons which suggest that between 1973 and 1977 the U.S. lost significantly more production days per 1,000 workers than did Britain. The 1978 figures are not really comparable for the U.S. and Britain

because they leave out of account the indirect disruption caused by many localised stoppages in Britain. In any case, it is obvious that in the U.S. many major industries, from motors to steel, from chemicals to aerospace, do enjoy longer periods of continuous, strike-free production. Their troubles, when there are any, tend to come in two- or three-year cycles partly because they operate within a system of industrial relations which has no real counterpart in Britain.

## Outlawed

The U.S. is the land of legally enforceable agreements, most of which outlaw virtually all strikes during the life of the agreement. Secret ballots figure in union elections and union leaders are assisted in their jobs by phalanxes of lawyers. Most are deeply opposed to unofficial strikes, are firm believers in the value of compulsory arbitration, and are firmly devoted to a problem solving approach to industrial relations and as convinced of the basic virtues of capitalism as the managers who face them across the bargaining table. Finding a common approach has been greatly helped by the development of single-industry unions as in post-war West Germany.

Trade unionism in the U.S. is definitely not in the ascendant and nothing points this up more crudely than the answer commonly given to the question why the proportion of the U.S. workforce which belongs to a trade union has been consistently falling for the last 30

years. It is now a little over 20 per cent. The answer is that the harsh industrial conditions and employer aggression which gave rise to trade unionism between 1880 and 1930 have now largely disappeared. As a result, it is said, a majority of working Americans do not see membership of a trade union as either important or relevant for them. In fact, attitudes to unions are rather more hostile than this statement implies. Surveys suggest that unions are seen as a special interest group with formidable lobbying powers in Washington whose goals are fully as selfish as those of big business. More specifically, millions of Americans derive their image of unions from the crusty and often hectoring public appearances of an 84-year-old former Brooklyn plumber, Mr. George Meany, for more than 30 years president of the American Federation of Labor-Congress of Industrial Organisations (AFL-CIO).

Mr. Meany's admirers contend that his political skills are matchless and that age has not diminished his powers to play a weak union hand as though it were packed with aces.

His critics do not agree, and some suggest none too tactfully that the American taste is for a more youthful style of leadership and professional dynamism. Image and professional dynamism are not the pre-occupations of a union movement dedicated to a social crusade, to achieving political change through collective action. But this is patently not the purpose of American trade unionism whose founders

stone was laid by Samuel Gompers in 1886 with the creation of the American Federation of Labor as a relatively loose collection of unions dedicated to protecting the interests of craft and skilled workers. Gompers forged the cautious conservatism of American trade unionism which stressed the satisfaction of immediate demands rather than collective utopian ends. His legacy is the ingrained belief that political goals should be pursued by political methods, not by collective industrial action advocated by syndicalists and others.

Detailed regulation of labour relations in the U.S. dates from the Wagner Act of 1935 which, together with the Taft-Hartley Act of 1947 and the Landrum-Griffith Act of 1959, has nailed together a powerful framework for regulating union activities. But because these laws are seen by unions to be ensuring freedoms supposedly guaranteed by the Bill of Rights, their existence is non-controversial. The laws, collectively known as the National Labour Relations Act, are aimed at striking a balance between the rights, duties and obligations of workers and management. In the last 30 years there have only been a source of dispute when one side or the other felt that the balance needed to be altered in its favour.

The AFL-CIO's current pre-occupation is to amend the law so that employers have less scope to frustrate union recruitment, but neither it nor most of its affiliates have much interest in changing the balance of power between employers and

WAGNER ACT 1935: guaranteed unions' rights to organise and bargain collectively; created the National Labour Relations Board, with powers to investigate and adjudicate allegations of "unfair labour practices." The Board was also empowered to run union recognition elections through secret ballot.

TAFT-HARTLEY ACT 1947: reflected congressional reaction to a wave of post-war strikes and to employer

resentment of the NLRB's use of its powers in remedying unfair labour practices. Unions were required to file reports on finances and internal procedures; pre-entry closed shops were declared illegal, and states were empowered to pass "right to work" laws outlawing post-entry closed shops. The act designated unfair labour practices applicable to unions, gave federal courts powers to enforce labour contracts and the President powers to seek injunctions against

strikes which cause a "national emergency." A Taft-Hartley injunction requires a return to work for a 60 day cooling off period.

LANDRUM-GRIFIN ACT 1959: aimed at eliminating corruption within unions through elaborate reporting requirements and through a "bill of rights" for union members governing union meetings, elections, eligibility for office and disciplinary procedures.

unions explain their failure to themselves and the world in terms of deficient labour laws which allow employers too many opportunities to frustrate recruitment through intimidation or propaganda.

But that is only part of the explanation since those employers are in a minority. Some of the lack of progress is undoubtedly due to the shift of manufacturing industry to the South where the culture is individualist, parochial and hostile to collectivism.

But perhaps as important is the time, attention and effort which many corporations give to monitoring their employees' attitudes and developing policies on pay and conditions to avoid the abrasions and dissatisfaction which they fear might lead to support for a union. Major companies such as IBM and Texas Instruments have kept their operations union free and there is little doubt that maintaining a "union-free environment" is going to develop as one of the prime management skills of the 1980s. The desire to keep unions out of any particular class hostility, nor does it necessarily cut labour costs.

But it does allow for greater flexibility in the management of the company—fewer seniority rules to worry about, for example—and it does give the management the opportunity to demonstrate what many Americans believe—that modern capitalism is benign and that the trade union movement, like the man on the white horse, should be ridden gently away into the sunset.

workers. Many British unions would find this balance intolerable. "The assumption in this country is that management has the initiative. It has the authority to direct the work and workers have the responsibility to carry out orders unless health and safety issues are involved." Those are the words of a senior executive of one of the largest U.S. corporations. Health and safety is an issue which is generally exempted from the no-strike-no lock out clauses to be found in the contracts covering most major industries from auto to steel, and which are in force for the duration of the contract.

Detailed regulation of labour relations in the U.S. dates from the Wagner Act of 1935 which, together with the Taft-Hartley Act of 1947 and the Landrum-Griffith Act of 1959, has nailed together a powerful framework for regulating union activities. But because these laws are seen by unions to be ensuring freedoms supposedly guaranteed by the Bill of Rights, their existence is non-controversial. The laws, collectively known as the National Labour Relations Act, are aimed at striking a balance between the rights, duties and obligations of workers and management. In the last 30 years there have only been a source of dispute when one side or the other felt that the balance needed to be altered in its favour.

The AFL-CIO's current pre-occupation is to amend the law so that employers have less scope to frustrate union recruitment, but neither it nor most of its affiliates have much interest in changing the balance of power between employers and to

difficulties which will arise during the life of a contract. The long-term contract satisfies the employers' desire for stable and predictable costs and for a lengthy period of relief from the demands of collective bargaining. Many unions have similarly appreciated a lightening of the negotiating burden. But their support for the long-term agreement has also been increased by granting pay increases which may adjust to inflation or the company's increased profitability, by including cost of living adjustments payable during the life of the contract and by an extra payment which GM called an "improvement factor."

All the evidence suggests that unions are just as happy as the employers that they bargain away many of their rights to a contract. The freely negotiated contract, agreed and signed by a union's *mission d'etre* and tends to underpin the authority of its leaders. An unofficial wildcat strike may carry with it the risk of loss of employment for those who lead the action and a financial penalty for the union. Thus, shop stewards have a range of local negotiating responsibilities, but they and their members can only stop work over issues exempted from the no-strike clause and then only with the express permission of the governing body of the union.

But all restrictions on strike action expire with the contract and many of the leading U.S. unions then do not shrink from using the strike weapon. These disputes have become set piece

GENERAL  
UK: Sir Harold Wilson and Mr. Harold Lever speak at Association of Independent Businesses lunch, London.  
TUC general council meeting, London.  
National Westminster Bank opens management services centre, London.  
President of National Bank of Poland visits London at invitation of Governor of Bank of England.  
Overseas: Mr. Harold Brown, U.S. Defence Secretary, briefs NATO Defence Ministers on developments in strategic arms limitation negotiations with

## Today's Events

Soviet Union (SALT II), at Homestead, Florida.  
Mexican trade delegation meets French Atomic Energy Commission in Paris.  
Israel-Egyptian peace treaty ratified in Sinai Desert.  
EEC ban imports of apples from Chile until August 15.  
Mr. A. B. Vajpeyi, India's External Affairs Minister, in Washington for talks on nuclear policy with President Carter.  
European Parliament meets in Strasbourg.

MENTS, Grosvenor House, Park Lane, W. 10.30. Change Wares, Barrington House, 58-67 Gresham Street, EC. 2. Dollar Land, Winchester House, 100 Old Broad Street, EC. 2. Embankment Trust, 21 Moorfields, EC. 3. Martin Ford, Winchester House, 100 Old Broad Street, EC. 2. Goode Durrant Murray, Durrant House, Chiswell Street, EC. 10. Molina Carlton Suite, London Press Centre, 76 Shoe Lane, EC. 12. 18. Sale Tiley, 28 Queen Anne's Gate, SW. 12. 20. Steeley Chartered Accountants' Hall, Moorgate Place, EC. 12. Watmoughs, Low Hall, Calverley Lane, Hosforth, near Leeds, 12.

## Letters to the Editor

### Agriculture will suffer

From the Chairman, Country Landowners Association, Wealth Tax Working Party

Sir—Farmers, landowners and other small businessmen have to plan and allow for income tax and/or corporation tax, capital gains tax and capital transfer tax, not to mention development land tax, stamp duty and, of course, the added tax. How are they going to be able to pay wealth tax on top of this?

Agriculture will suffer particularly from a wealth tax. On paper, a farmer who owns 500 acres, and no other assets, probably has "wealth" of £50,000 or more. Wealth tax of £18,000 per year (the scale indicated in the 1974 Green Paper, with the threshold lifted to £150,000) would be more than the profit he could expect to earn after income tax (and how much of that profit would have been cash anyway?). Even if the value of his assets were reduced by half (referees were mentioned in any manifesto) as for CTT, the wealth tax would still be £4,000 per year, and this would be about one third of profit left after income tax. He will have no alternative but to cut back on his labour he employs, or the capital invested in the business or to make cash available for paying the wealth tax.

The effects of a wealth tax will not be limited to owners of 500 acres of land. In agriculture, owners of much smaller tranches will be caught. The effects of the tax, however, will be more widespread, as investment and jobs are lost, and the small business sector of the economy is progressively weakened. In due course, state agencies will no doubt be treated, so that land and other assets may be transferred to them in satisfaction of wealth tax liabilities.

A wealth tax would therefore be the first step in a process of nationalisation, through taxation, and should be resisted as providing for a long-term extension of state ownership and influence.

Mr. H. Gibson Fleming, 16, Belgrave Square, SW. 1

### Talents that are buried

From Mr. A. MacGregor

Sir—Edward James (April 17) states unequivocally that I am wrong (April 5) in suggesting that a wealth tax would be a very acceptable substitute for inflation. He quotes Peter Shore, apparently out of context: "It is indeed folly to dispose of capital and use the proceeds as income" and adds himself "It is indeed and that is what a wealth tax would do." It seems to me that if Peter Shore's party were elected and were to introduce a wealth tax, that either Peter Shore himself must become party to such a folly or alternatively prove Mr. James wrong.

The Bible has a story of two brothers who inherit some talents, the first buries his to protect them. The second, generally considered the good example, multiplies his inheritance through trade. Too many of our national "talents" are buried in property, antiques, art treasures and other wasting

assets, as well as occupations which produce little wealth, but which are protected against inflation and tax. The misrepresentation of wealth by money along with the inflation and tax system allow the Bible story to be reversed and those who "bury" can win.

One might expect the CBI to give consideration to any idea which might enable some of the "buried" talents to be made available to those who would multiply, even if it meant a wealth tax or the selling off of antiques, such that the proceeds could be invested in future wealth production; this, however, would be no more reasonable than to expect a union not to strike for the "good of the country."

If I suggest a wealth tax which may be offset against income from wealth production, with relief for old age or ill health, the proceeds of which would go to a separate fund to be made available at low interest to potential high risk high profit wealth production, perhaps administered by the CBI, am I still wrong?

When people appreciate that examples like Mr. Gibbs (April 18) portraiture of removing wealth from those who are weak are the cause of inflation, even though in that case the subjects are so weak no one bothers to fool them with numbers, and that the only way to stop inflation is to increase wealth, a wealth tax for constructive purposes may not sound so bad.

A. T. MacGregor,  
6 Kildare Court,  
Kildare Terrace, W.2.

### Investment in car making

From Mr. A. Hunt.

Sir—Having recently completed many years of staff-management relations at a local level I am a strong believer in the essential role that union

representatives can do, and should play. I am always interested in the published views by significant union leaders on their basic thinking.

Mr. Ken Gill (April 17), sees and recognises many problems of the UK motor manufacturing industry with which I would agree; low wage rates vis-à-vis European manufacturers, inadequate research and development effort. I doubt, however, if Mr. Gill recognises the huge risks of anyone's money (public in the case of BL) in producing new cars which may not be at all popular.

All the major international companies will admit to unsuccessful models at one time or another, and in a competitive real world a mistake is very expensive; why should Mr. Gill or I buy a car that we don't like just because it has been

Successful business means sufficient return on money to pay competitive wages in a European context, to production, administration and R and D staff upon whom the future of a company ultimately depends. Also of course the providers of the money need a fair return by them UK taxpayers, UK pension funds or shareholders.

On the broader issue my personal view is this country has too much investment in motor cars already because the return on capital employed is so low; how many cars have to be exported to provide the same profit as a good TV series for example?

A. G. Hunt,  
21 Mount Avenue,  
Westcliff-on-Sea, Essex.

cause gradual changes in the attitude of minority Japanese elements, arising from which the decline postulated by Rodney Clark will become more obvious—although the Japanese may try hard to practise double standards in order to preserve their national heritage, on the one hand, and to create an uncompromising face to deal with Western influences, on the other.

It is interesting, however, to relate two events which clearly distinguish the support attitude of the Japanese employees from that of his Western counterpart. In contrast, one situation illustrates the sympathetic attitude and the other the submissive pacifist. Can you imagine it happening here?

When I was last in Tokyo one of the public services announced an all-out strike to demonstrate concern for its wage packet level. It was then stated that the strike would continue for several days—workers would down tools, however, from 8.30 pm until 6.00 am each day! Needless to say, disruption to public services was practically zero, but the strikers made their point.

The second situation arose in this morning's mail from Tokyo, the letter read as follows . . .

"The Japanese national railroad and major and minor private railways companies union declared a General Strike of 72 hours from April 25 to 27. If it is so that nobody can come to the office due to such conditions our company will decide to alter the official company holiday to those days upon which the strike takes place." Management has made its point and employees accept it.

John M. Newman,  
Wolseley Palace,  
Winchester, Hants.

cause gradual changes in the attitude of minority Japanese elements, arising from which the decline postulated by Rodney Clark will become more obvious—although the Japanese may try hard to practise double standards in order to preserve their national heritage, on the one hand, and to create an uncompromising face to deal with Western influences, on the other.

It is interesting, however, to relate two events which clearly distinguish the support attitude of the Japanese employees from that of his Western counterpart. In contrast, one situation illustrates the sympathetic attitude and the other the submissive pacifist. Can you imagine it happening here?

When I was last in Tokyo one of the public services announced an all-out strike to demonstrate concern for its wage packet level. It was then stated that the strike would continue for several days—workers would down tools, however, from 8.30 pm until 6.00 am each day! Needless to say, disruption to public services was practically zero, but the strikers made their point.

The second situation arose in this morning's mail from Tokyo, the letter read as follows . . .

"The Japanese national railroad and major and minor private railways companies union declared a General Strike of 72 hours from April 25 to 27. If it is so that nobody can come to the office due to such conditions our company will decide to alter the official company holiday to those days upon which the strike takes place." Management has made its point and employees accept it.

John M. Newman,  
Wolseley Palace,  
Winchester, Hants.

Abecor is an association of leading international banks with combined assets of over 250 billion dollars. Helping business expand into new markets is one of Abecor's principal skills. Barclays, your Abecor bank in Britain, can help you directly in this way.

Passport to markets  
Barclays through Abecor has access to the 11,000 branches of the member banks in its own country. Each bank is your passport to new market opportunities.

Passport to speed  
Abecor is your passport to speed. For example we can arrange credit quickly with any Abecor member on the basis of your rating with us.

Passport to service  
Abecor makes all its services available as quickly and simply as possible. If you want to use them contact Mr. B. Bartlett, Barclays International Division, 168 Fenchurch Street, London EC3P 3HP. Telephone: 01-283 8989.

Abecor is your passport to speed  
Abecor is your passport to speed. For example we can arrange credit quickly with any Abecor member on the basis of your rating with us.

Passport to service  
Abecor makes all its services available as quickly and simply as possible. If you want to use them contact Mr. B. Bartlett, Barclays International Division, 168 Fenchurch Street, London EC3P 3HP. Telephone: 01-283 8989.

Passport to markets  
Barclays through Abecor has access to the 11,000 branches of the member banks in its own country. Each bank is your passport to new market opportunities.

Passport to speed  
Abecor is your passport to speed. For example we can arrange credit quickly with any Abecor member on the basis of your rating with us.

Abecor is your association of leading international banks with combined assets of over 250 billion dollars. Helping business expand into new markets is one of Abecor's principal skills. Barclays, your Abecor bank in Britain, can help you directly in this way.

## Companies and Markets

# Foseco tops £17m after second half advance

**FOSECO MINSEP**, the chemical manufacturing group, reports an increase from £14.32m to £17.06m in pre-tax profits for 1978. This follows an improvement from £7.63m to £8.36m in the first six months.

After all charges the net balance comes through at £8.92m against £7.96m with earnings per share stated at 19.4p (17.4p). The dividend is raised by the maximum permitted — from 4.58p to 5.11p, with a final of 3p.

The directors point out that following a change in accounting policy to conform to SSAP 15 no provision has been made for tax deferred beyond the foreseeable future. The comparative figures have been restated. If deferred tax had been provided in full under the liability method the tax charge would have increased by £676,000 (£773,000). The relatively small impact on the tax charge reflects the substantial overseas element in group profits.

## Encouraging for Sandeman after increase to £1.77m

On turnover up from £12.63m to £15.23m **George G. Sandeman Sons and Co.**, the port and sherry group, has lifted taxable profits from £1.4m to £1.77m. At midway the surplus was increased from a depressed £1.15m to £457,000.

The group says the volume of distributor sales during the first few months of this year are good both at home and overseas.

After tax of £753,000 (£781,000) net profit is up from £523,000 to £1.02m. Stated earnings per 25p share are well up at 8.97p, compared with 8.43p. The final dividend of 1.54p net raises the total from 2.81p to 2.54p.

The Board says that in relation to the exchange translation loss, Sandeman and Co. Ltd., Portugal, did an exercise on the replacement cost of port stocks and the figure produced was considerably in excess of book value. This, with freehold properties which are included on an historical cost basis, should go some way to show that there has

|                                | 1978        | 1977        |
|--------------------------------|-------------|-------------|
| External sales                 | £17,060,000 | £14,320,000 |
| Foseco                         | 14,453,000  | 12,923,000  |
| Fosman                         | 12,582,000  | 10,912,000  |
| Trading profit                 | 18,802,000  | 15,550,000  |
| Foseco                         | 14,531,000  | 12,221,000  |
| Fosman                         | 4,285,000   | 3,341,000   |
| Group management charges       | 599,000     | 522,000     |
| Net interest                   | 1,739,000   | 1,244,000   |
| Profit before tax              | 17,224,000  | 14,777,000  |
| Net profit                     | 9,778,000   | 8,880,000   |
| Minorities and pref. dividends | 854,000     | 728,000     |
| Net retained                   | 8,224,000   | 7,152,000   |
| Attributable to Ord.           | 8,615,000   | 7,982,000   |
| Ordinary dividends             | 2,328,000   | 2,100,000   |
| Retained                       | 6,286,000   | 5,782,000   |

### ● comment

**Foseco Minsep** feels confident that the world steel market will improve further in 1979 after last year's slight upturn helped push pre-tax profits up 19 per cent and boost the pre-tax margin from 8.2 to 8.6 per cent. This is modest compared with

the margins recorded earlier in the decade when sterling was falling but strong enough to make the company consider further foreign expansion, with an eye on Germany and the U.S. Foseco already does 92 per cent of its metallurgy business abroad and would be more satisfied with a figure around 96 per cent. Most areas contributed to last year's improvement in metallurgy, though the UK and Japan are viewed with concern. The construction sector, which is also aiming to expand its overseas share significantly, showed the strongest gains in both profit and sales, offsetting a poor performance in the Fosman division. The company can be expected to make a very attractive interim pay-out if dividend controls are lifted. Shares closed well up at 175p, giving a stated p/e of 8.8 and a yield of 4.8 per cent covered nearly four times.

**FOSECO MINSEP**, the chemical manufacturing group, reports an increase from £14.32m to £17.06m in pre-tax profits for 1978. This follows an improvement from £7.63m to £8.36m in the first six months.

After all charges the net balance comes through at £8.92m against £7.96m with earnings per share stated at 19.4p (17.4p). The dividend is raised by the maximum permitted — from 4.58p to 5.11p, with a final of 3p.

The directors point out that following a change in accounting policy to conform to SSAP 15 no provision has been made for tax deferred beyond the foreseeable future. The comparative figures have been restated. If deferred tax had been provided in full under the liability method the tax charge would have increased by £676,000 (£773,000). The relatively small impact on the tax charge reflects the substantial overseas element in group profits.

## Encouraging for Sandeman after increase to £1.77m

On turnover up from £12.63m to £15.23m **George G. Sandeman Sons and Co.**, the port and sherry group, has lifted taxable profits from £1.4m to £1.77m. At midway the surplus was increased from a depressed £1.15m to £457,000.

The group says the volume of distributor sales during the first few months of this year are good both at home and overseas.

After tax of £753,000 (£781,000) net profit is up from £523,000 to £1.02m. Stated earnings per 25p share are well up at 8.97p, compared with 8.43p. The final dividend of 1.54p net raises the total from 2.81p to 2.54p.

The Board says that in relation to the exchange translation loss, Sandeman and Co. Ltd., Portugal, did an exercise on the replacement cost of port stocks and the figure produced was considerably in excess of book value. This, with freehold properties which are included on an historical cost basis, should go some way to show that there has

### ● comment

**Sandeman's** second half profit was just a shade below the comparable period but the strong first half performance (£457,000 against £17,000 in 1977) ensured that the figure for the year as a whole is some 26 per cent up. In the UK the sherry market was quite good but the real growth came from the higher margin port sales. Three years ago port constituted only 40 per cent of

group turnover but now the figure is much closer to 50 per cent. The UK port market was a flat bit in 1978 and Sandeman made little headway in terms of increased market share. But overseas, which accounts for around 80 per cent of turnover, showed good growth and the group also improved its penetration. Prospects for the year depend largely on continued growth in the overseas sector plus exchange movements. The shares, at 70p, yield 5.5 per cent and have a p/e of 7.6.

**FOSECO MINSEP**, the chemical manufacturing group, reports an increase from £14.32m to £17.06m in pre-tax profits for 1978. This follows an improvement from £7.63m to £8.36m in the first six months.

After all charges the net balance comes through at £8.92m against £7.96m with earnings per share stated at 19.4p (17.4p). The dividend is raised by the maximum permitted — from 4.58p to 5.11p, with a final of 3p.

The directors point out that following a change in accounting policy to conform to SSAP 15 no provision has been made for tax deferred beyond the foreseeable future. The comparative figures have been restated. If deferred tax had been provided in full under the liability method the tax charge would have increased by £676,000 (£773,000). The relatively small impact on the tax charge reflects the substantial overseas element in group profits.

## Encouraging for Sandeman after increase to £1.77m

On turnover up from £12.63m to £15.23m **George G. Sandeman Sons and Co.**, the port and sherry group, has lifted taxable profits from £1.4m to £1.77m. At midway the surplus was increased from a depressed £1.15m to £457,000.

The group says the volume of distributor sales during the first few months of this year are good both at home and overseas.

After tax of £753,000 (£781,000) net profit is up from £523,000 to £1.02m. Stated earnings per 25p share are well up at 8.97p, compared with 8.43p. The final dividend of 1.54p net raises the total from 2.81p to 2.54p.

### ● comment

**Sandeman's** second half profit was just a shade below the comparable period but the strong first half performance (£457,000 against £17,000 in 1977) ensured that the figure for the year as a whole is some 26 per cent up. In the UK the sherry market was quite good but the real growth came from the higher margin port sales. Three years ago port constituted only 40 per cent of

group turnover but now the figure is much closer to 50 per cent. The UK port market was a flat bit in 1978 and Sandeman made little headway in terms of increased market share. But overseas, which accounts for around 80 per cent of turnover, showed good growth and the group also improved its penetration. Prospects for the year depend largely on continued growth in the overseas sector plus exchange movements. The shares, at 70p, yield 5.5 per cent and have a p/e of 7.6.

**FOSECO MINSEP**, the chemical manufacturing group, reports an increase from £14.32m to £17.06m in pre-tax profits for 1978. This follows an improvement from £7.63m to £8.36m in the first six months.

After all charges the net balance comes through at £8.92m against £7.96m with earnings per share stated at 19.4p (17.4p). The dividend is raised by the maximum permitted — from 4.58p to 5.11p, with a final of 3p.

The directors point out that following a change in accounting policy to conform to SSAP 15 no provision has been made for tax deferred beyond the foreseeable future. The comparative figures have been restated. If deferred tax had been provided in full under the liability method the tax charge would have increased by £676,000 (£773,000). The relatively small impact on the tax charge reflects the substantial overseas element in group profits.

## Encouraging for Sandeman after increase to £1.77m

On turnover up from £12.63m to £15.23m **George G. Sandeman Sons and Co.**, the port and sherry group, has lifted taxable profits from £1.4m to £1.77m. At midway the surplus was increased from a depressed £1.15m to £457,000.

The group says the volume of distributor sales during the first few months of this year are good both at home and overseas.

After tax of £753,000 (£781,000) net profit is up from £523,000 to £1.02m. Stated earnings per 25p share are well up at 8.97p, compared with 8.43p. The final dividend of 1.54p net raises the total from 2.81p to 2.54p.

### ● comment

**Sandeman's** second half profit was just a shade below the comparable period but the strong first half performance (£457,000 against £17,000 in 1977) ensured that the figure for the year as a whole is some 26 per cent up. In the UK the sherry market was quite good but the real growth came from the higher margin port sales. Three years ago port constituted only 40 per cent of

group turnover but now the figure is much closer to 50 per cent. The UK port market was a flat bit in 1978 and Sandeman made little headway in terms of increased market share. But overseas, which accounts for around 80 per cent of turnover, showed good growth and the group also improved its penetration. Prospects for the year depend largely on continued growth in the overseas sector plus exchange movements. The shares, at 70p, yield 5.5 per cent and have a p/e of 7.6.

**FOSECO MINSEP**, the chemical manufacturing group, reports an increase from £14.32m to £17.06m in pre-tax profits for 1978. This follows an improvement from £7.63m to £8.36m in the first six months.

After all charges the net balance comes through at £8.92m against £7.96m with earnings per share stated at 19.4p (17.4p). The dividend is raised by the maximum permitted — from 4.58p to 5.11p, with a final of 3p.

The directors point out that following a change in accounting policy to conform to SSAP 15 no provision has been made for tax deferred beyond the foreseeable future. The comparative figures have been restated. If deferred tax had been provided in full under the liability method the tax charge would have increased by £676,000 (£773,000). The relatively small impact on the tax charge reflects the substantial overseas element in group profits.

## Encouraging for Sandeman after increase to £1.77m

On turnover up from £12.63m to £15.23m **George G. Sandeman Sons and Co.**, the port and sherry group, has lifted taxable profits from £1.4m to £1.77m. At midway the surplus was increased from a depressed £1.15m to £457,000.

The group says the volume of distributor sales during the first few months of this year are good both at home and overseas.

After tax of £753,000 (£781,000) net profit is up from £523,000 to £1.02m. Stated earnings per 25p share are well up at 8.97p, compared with 8.43p. The final dividend of 1.54p net raises the total from 2.81p to 2.54p.

### ● comment

**Sandeman's** second half profit was just a shade below the comparable period but the strong first half performance (£457,000 against £17,000 in 1977) ensured that the figure for the year as a whole is some 26 per cent up. In the UK the sherry market was quite good but the real growth came from the higher margin port sales. Three years ago port constituted only 40 per cent of

group turnover but now the figure is much closer to 50 per cent. The UK port market was a flat bit in 1978 and Sandeman made little headway in terms of increased market share. But overseas, which accounts for around 80 per cent of turnover, showed good growth and the group also improved its penetration. Prospects for the year depend largely on continued growth in the overseas sector plus exchange movements. The shares, at 70p, yield 5.5 per cent and have a p/e of 7.6.

**FOSECO MINSEP**, the chemical manufacturing group, reports an increase from £14.32m to £17.06m in pre-tax profits for 1978. This follows an improvement from £7.63m to £8.36m in the first six months.

After all charges the net balance comes through at £8.92m against £7.96m with earnings per share stated at 19.4p (17.4p). The dividend is raised by the maximum permitted — from 4.58p to 5.11p, with a final of 3p.

The directors point out that following a change in accounting policy to conform to SSAP 15 no provision has been made for tax deferred beyond the foreseeable future. The comparative figures have been restated. If deferred tax had been provided in full under the liability method the tax charge would have increased by £676,000 (£773,000). The relatively small impact on the tax charge reflects the substantial overseas element in group profits.

## Encouraging for Sandeman after increase to £1.77m

On turnover up from £12.63m to £15.23m **George G. Sandeman Sons and Co.**, the port and sherry group, has lifted taxable profits from £1.4m to £1.77m. At midway the surplus was increased from a depressed £1.15m to £457,000.

The group says the volume of distributor sales during the first few months of this year are good both at home and overseas.

After tax of £753,000 (£781,000) net profit is up from £523,000 to £1.02m. Stated earnings per 25p share are well up at 8.97p, compared with 8.43p. The final dividend of 1.54p net raises the total from 2.81p to 2.54p.

### ● comment

**Sandeman's** second half profit was just a shade below the comparable period but the strong first half performance (£457,000 against £17,000 in 1977) ensured that the figure for the year as a whole is some 26 per cent up. In the UK the sherry market was quite good but the real growth came from the higher margin port sales. Three years ago port constituted only 40 per cent of

group turnover but now the figure is much closer to 50 per cent. The UK port market was a flat bit in 1978 and Sandeman made little headway in terms of increased market share. But overseas, which accounts for around 80 per cent of turnover, showed good growth and the group also improved its penetration. Prospects for the year depend largely on continued growth in the overseas sector plus exchange movements. The shares, at 70p, yield 5.5 per cent and have a p/e of 7.6.

**FOSECO MINSEP**, the chemical manufacturing group, reports an increase from £14.32m to £17.06m in pre-tax profits for 1978. This follows an improvement from £7.63m to £8.36m in the first six months.

After all charges the net balance comes through at £8.92m against £7.96m with earnings per share stated at 19.4p (17.4p). The dividend is raised by the maximum permitted — from 4.58p to 5.11p, with a final of 3p.

The directors point out that following a change in accounting policy to conform to SSAP 15 no provision has been made for tax deferred beyond the foreseeable future. The comparative figures have been restated. If deferred tax had been provided in full under the liability method the tax charge would have increased by £676,000 (£773,000). The relatively small impact on the tax charge reflects the substantial overseas element in group profits.

## Encouraging for Sandeman after increase to £1.77m

On turnover up from £12.63m to £15.23m **George G. Sandeman Sons and Co.**, the port and sherry group, has lifted taxable profits from £1.4m to £1.7

# The Hongkong and Shanghai Banking Corporation

Incorporated in Hong Kong with Limited Liability

Mr M G R Sandberg, Chairman,  
speaking at the Ordinary Yearly General Meeting on 20th April, 1979 reported...



Mr M G R Sandberg, OBE, Chairman

The Group profit for the year was just under HK\$727 million and that of the Bank itself HK\$592 million. These represent increases of approximately 39 per cent over the same figures for 1977 and have been reached after deduction of outside interests in the case of Group profit and after provisions considered prudent by your Board, in the case of the profit of the Bank. Dividends received from members of the Group are included.

The transfer to published reserves has been substantially increased from HK\$60 million to HK\$100 million and I would not expect transfers to fall below this figure in the coming years.

We are pleased to be able to recommend a final dividend increased from HK\$0.47 to HK\$0.60. Taking into account the interim dividend of HK\$0.20 and the increase in the capital resulting from last year's bonus issue of one new share for every two held the total distribution to shareholders will have increased by about 35 per cent over last year.

Mindful of the need to keep capital in line with the increasing balance sheet figures your Board is again recommending a bonus issue but this year of a rather larger amount than usual. We are putting forward a resolution of one new share for every two held as at today's date by the capitalisation of HK\$577,429,348 from the Reserve Fund. If this is passed the Reserve Fund will be restored by the transfer of HK\$400 million from the Bank's inner reserves and a transfer from undistributed profits of HK\$177,429,348. After this has been accomplished the undistributed profits carried forward will still be in excess of HK\$100 million.

To attain this we shall also be seeking approval to increase the authorised capital to HK\$2,000 million.

As already announced, although profits in 1979 are not expected to show the same increase as in 1978, your Directors confidently anticipate total distribution in 1979 to be not less than that for 1978. That would mean dividends of at least 54c per share on the proposed increased capital.

1978 has obviously been a good year for your Group and this has been due, in general terms, to growth around the world which in my view has been much better than is generally recognised. This is not to ignore problems, both political and economic, in many areas, but so often bad news makes more headlines than good.

I spoke last year of attempts to make steady rather than dramatic growth. This has not always been achieved, and inflation remains a universal spectre. But for all that, some of the major areas in which the Bank operates, and none more notable than the ASEAN countries, have growths of 6 or 7 per cent and I regard this as very good. India and Sri Lanka have also approached these figures.

It remains true, but is now perhaps more clear, how dependent developing countries are on the economic health of developed countries for their own growth and in this respect we should be grateful for the comparative buoyancy of the American economy. This is beginning to slow down and a number of

economists in the USA are talking it down to negative growth in the latter part of this year, but economists have often been prone to denigrate the strength of that great country and to be overly pessimistic in forecasting its economic resilience. For myself I am confident that even if growth there should be less than we would like in the last quarter, 1980 will see a resurgence. In the meantime in spite of problems regarding the price of oil I would hope the growth rate of both West Germany and Japan to be reasonably satisfactory. It is unavoidable that increases in the price of oil will bring inflationary pressure and tend to stunt growth around the world. I said last year that it seemed very necessary for the Americans to take the lead in allowing market forces greater freedom to influence both demand for and the development of energy resources. The American administration has recently begun a renewed effort to achieve agreement on an effective energy policy and we must hope that they will succeed in this endeavour.

On the bright side has been normalisation of Sino American relationships. This and the Sino Japanese Treaty have coincided with the Chinese modernisation programme and all of these should produce the benefits of increased trade although many problems of terms of payment have still to be solved.

Turning back to Group affairs we have seen a sustained growth of new branches in Hong Kong and this seems likely to continue as a population increasing in numbers seeks conveniently placed banking facilities.

It was announced in November that we were looking into the feasibility of re-development of our head-

quartership of Sheik Suliman Saleh Olayan and I had the pleasure of seeing something of this new venture at the end of last year and of meeting some of Sheik Suliman's fellow Directors.

This divesting of their Saudi Arabian branches has inevitably caused a temporary reduction in the deposit base of The British Bank of the Middle East itself.

1978 has been a year of instability in parts of the Middle East and the Bank there has been subject to the resulting uncertain economic and political situation in the region. This has led to a fall in dividends received from £5,300,000 to £3,500,000.

The Mercantile Bank's growth in India continues to be encouraging although the profits are subject to a very high rate of taxation made even higher by the disallowance of many of the expenses which would be allowed in other countries. The Merchant Banking Division in Bombay has been actively involved with domestic and overseas projects of some of the larger Indian industrial groups.

In Mauritius the Branch Expansion Programme has continued but there has been little fresh investment in the country following continued labour trouble which is also causing anxiety that final shipment dates for EEC sugar purchases will not be met.

Our Canadian subsidiaries had a year of increased activity and profitability. However it is disappointing that, despite promises, the grant of charters to foreign banks in Canada did not eventuate while the legislation that was mooted in this respect fell short of the freedom enjoyed by Canadian Banks in most of the countries in which they operate.

both banks hence the accord with them to extend the agreement between us until 30 June.

In addition to our planned injection of new capital into Marine Midland and the opportunities it will provide for Marine to serve its traditional markets in New York State and elsewhere, we look forward to providing a conduit to the large and exciting trade possibilities with the People's Republic of China which have been created by the normalisation of relations between Washington and Peking.

Wardley Limited expanded their operations and have continued to grow. They are now well represented almost throughout the region, but in spite of the setting up expenses involved increased their dividend from HK\$25 million to HK\$30 million. Wholesale banking is increasingly important to your Group and often where developing or newly independent countries seek to restrain retail growth by foreign banks, Wardley offer services which are welcomed by the authorities.

Wardley Middle East made some progress during a year when conditions in the areas in which they operate were not helpful.

Our Finance and Mortgage companies in Brunei, Hong Kong, Malaysia and Singapore have all had good years and their managements in these places are to be congratulated.

Wayhong Investment has had another satisfactory year. Dividends received from Cathay Pacific again increased this year. Dividend income from our Shipping Investments was slightly reduced as it was decided to take a smaller distribution from World Maritime.

Our various insurance ventures, albeit new, had a satisfactory year and progressively will contribute to the profitability of the Group and to the services we offer.

There are some changes in your Board of Directors to report. Mr W S Stocks has resigned since the end of the year owing to increased business commitments outside Hong Kong. He has been a Director for nine years and his advice has been invaluable to me and my predecessors. Mr F J Knightly is due to retire after this meeting under Regulation 89(H) but I am glad to report that he has agreed to act as a consultant to the Board so that we shall not be without his counsel. Sir Albert Rodrigues resigned as consultant at the end of 1978 and I am most grateful to him for his guidance.

The Board has been strengthened by the appointment of Messrs Q W Lee and N S Thompson, whom we welcome. I am sure our successful partnership with Hang Seng Bank will be enhanced by their Chief Executive, Mr Lee, joining us.

While on the subject of Board Members, we were all delighted at the news of Sir Y K Pao's knighthood in recognition of his very considerable services to the community.

The results we have achieved would not have been possible without the loyalty and hard work of the staff all over the world. On your behalf I thank them sincerely.

## The Hongkong Bank Group

Principal subsidiary and associate members of The Hongkong Bank Group:-

The British Bank of the Middle East

Mercantile Bank Limited

Wardley Limited

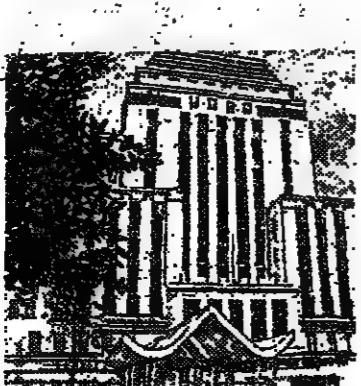
Hang Seng Bank Limited

The Bank of Iran and the Middle East

The British Bank of the Lebanon S A L

Antony Gibbs Holdings Limited

Wardley Middle East Limited



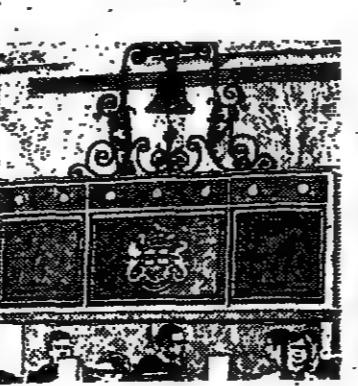
WORLDWIDE BANKING SERVICES

Over four hundred offices, operating in forty countries in Asia, the Middle East, Europe, North America and Australia. We are the largest banking group in South East Asia. The Group's banking activities are very extensive, and we offer a much wider range of services than many other commercial banks.



MERCHANT BANKING

Established in 1972, our merchant banking subsidiary, Wardley Ltd., provides international corporate finance and project finance; investment and management services; and advises on takeovers, mergers and acquisitions. We are ideally placed to assist companies developing in the Asia-Pacific area.



INSURANCE SERVICES

The need for insurance arises with a high proportion of modern banking transactions and The Hongkong Bank Group provides such services as part of its integrated financial service. Through subsidiary and associated companies all forms of insurance and reinsurance are transacted.



TRUSTEE SERVICES

The trustee companies of The Hongkong Bank Group in Hong Kong, London, Jersey, Malaysia, and Singapore undertake all types of trustee business including administration of estates, discretionary and other trusts, retirement benefit funds, family settlements, public and charitable trusts, and unit trusts.



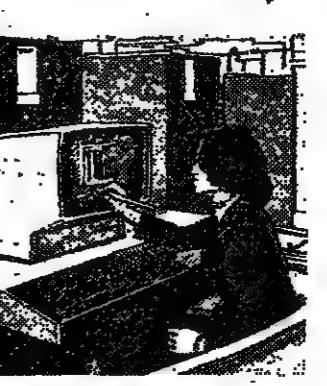
TRAVELLERS' CHEQUES

The Hongkong Bank Group issues Hong Kong dollar travellers' cheques at all its branches. They are also available at the offices of Thomas Cook, and a large number of travel and sales agents throughout the world.



BULLION BROKING

As the international gold market continues to grow, Asia will become increasingly important. Through its jointly-owned company, Sharps Pixley Wardley, The Hongkong Bank Group deals in precious metals in Hong Kong, and handles the physical sales of gold in the Asian Area.



COMPUTER SERVICES

The Group has developed much proficiency in data processing. It provides information services for the Group's management, helps operational staff in the efficient implementation of their work; and constantly improves customer services, particularly in trade finance and international payments. Computers, some with on-line terminals, are in all major branches.

## Strong second half helps Menzies to £5.9m

AS EXPECTED John Menzies (Holdings) further improved profits in the second half to finish the year well ahead. Taxable profits for the 53 weeks to February 3, 1978 were £5.84m, against £4.73m for the previous year.

The directors say there was a good all-round performance from all activities.

Turnover for the 53-week period was up from £158.65m to £197.67m. After tax of £59.000 (£3.02m) the net profit comes out more than £1m ahead—from £2.72m to £5.04m. Stated earnings per 25p share rose from 19.6p to 34.77p.

At midway when the surplus rose from 10.86p to 11.15p the directors said they expected second-half profits to exceed those of the previous years.

There was an extraordinary debit of £676,000, compared with £1,435.

The five-yearly revaluation of the company's properties has revealed a surplus, less adjustments, of £4.5m or 53 per cent on previous book values. The sum has been written into the balance sheet.

• comment John Menzies' 25 per cent profits rise is due entirely to a strong

performance from the enlarged retail division, which shows an underlying volume gain of around a tenth. In common with other newsmen Menzies has been benefiting from the increase in consumer spending but wholesaling only managed a holding operation mainly due to lost sales, amounting to more than £4m, through stoppages in Fleet Street. The results compare very favourably with W. H. Smith's where cost pressures resulted in static profits for the same period. On a low tax charge the shares, at 220p, sell on a p/e of just over six while the yield is well covered 2.3 per cent.

### English Natl. earnings up

Gross income of the English National Investment Company improved from £193.728 to £226.093 in the year ended March 31, 1978. Earnings per preferred ordinary share are shown to be up from 1.38p to 2.1p and on the deferred shares they are higher at 3.18p (2.42p).

The dividend on the preferred capital is increased from 1.83p to 2.02p with a final of 1.13p and on the deferred is raised from 2.43p to 3.18p with a final of 2.07p.

Net asset per share were—

preferred 38.7p (32.1p) and

deferred 83.7p (57.5p).

TAXABLE profits of Alpine Holdings, the double glazing and aluminium windows group, more than doubled in the year to January 31, 1979. The surplus jumped from £330,000 to a record £1.9m on turnover up more than £10m to £25.2m.

And the group says it has moved into the new year with strong order books, although it will face increased overheads during the development of additional manufacturing and installation capacity.

It has retained its strong liquid position, and is looking for further substantial progress.

At the halfway stage when pre-tax profits were up from £223,000 to £200,000 the directors said they expected a significant improvement in the year's results.

Turnover rose from £7.98m to £8.82m. After tax of £50,823 (£38,463), stated earnings per 25p share are 1.22p—last time there was a 34p loss. There is no final dividend, but the total is up from 0.68p to 1.34p.

The group's principal activity is the production of supplements for animal nutrition, micronutrients, engineering and livestock production.

WARNER-LAMBERT

Warner-Lambert has pur-

chased the assets of the Bury Bakers division of Beatrice Foods Company

## Alpine jumps to record £1.9m

demand, a third manufacturing complex will be opened in June 1979 at Tanfield Lea, County Durham.

Subject to certain minimum profits further consideration is payable based on Dolphin Showers' profits in its trading periods up to January 31, 1977. Further payment for the period under review is provisionally estimated at £581,000, to be satisfied in cash and the balance by the issue of new Alpine Holdings ordinary shares. The new shares will not rank for the final dividend being recommended.

Extraordinary items comprise further costs relating to the closure last year of the industrial windows sub-contracting activity less profits and release to profits on the disposal of the interests in certain associated companies. As to the closure further costs of £60,000 net have been incurred since the half year, and it is considered all reasonable provisions have been made, although a number of accounts have still to be finalised.

• comment

On a fully taxed p/e of 14.1, or 11.2 on stated earnings, it is fairly clear that the better than doubled profit from Alpine had been fully discounted to 1.22p, unchanged yesterday. Similarly, a yield of 3.5 per cent offers scant support for any re-rating on historic grounds, but Alpine holds important stakes in a home improvement market which must still be at least three or four years off maturity. The current year, despite poor weather and national industrial problems, has opened well and the double glazing and replacement window division has apparently doubled its order book over the last 12 months. Dolphin Showers has been a little under the peak profits of 1978, but new products have apparently been well received while physical expansion into new showrooms in the Home Counties should boost the admittedly small contribution from fitted bedrooms. Over the longer term, Alpine probably needs a fourth leg before home improvement demand begins to level out. A strong balance sheet and a good takeover record suggests that the pursuit of a worthwhile acquisition may not prove fruitless.

The results reflect a strong performance from all activities including Dolphin Showers, the new subsidiary bought in April 1978.

Alpine (Double-Glazing) Co, the group's largest activity, had another successful year and has moved into the current year with a record level of orders, representing several months of secured installations. To meet

the results reflect a strong performance from all activities including Dolphin Showers, the new subsidiary bought in April 1978.

Alpine (Double-Glazing) Co, the group's largest activity, had another successful year and has moved into the current year with a record level of orders, representing several months of secured installations. To meet

the results reflect a strong performance from all activities including Dolphin Showers, the new subsidiary bought in April 1978.

Alpine (Double-Glazing) Co, the group's largest activity, had another successful year and has moved into the current year with a record level of orders, representing several months of secured installations. To meet

the results reflect a strong performance from all activities including Dolphin Showers, the new subsidiary bought in April 1978.

Alpine (Double-Glazing) Co, the group's largest activity, had another successful year and has moved into the current year with a record level of orders, representing several months of secured installations. To meet

the results reflect a strong performance from all activities including Dolphin Showers, the new subsidiary bought in April 1978.

Alpine (Double-Glazing) Co, the group's largest activity, had another successful year and has moved into the current year with a record level of orders, representing several months of secured installations. To meet

the results reflect a strong performance from all activities including Dolphin Showers, the new subsidiary bought in April 1978.

Alpine (Double-Glazing) Co, the group's largest activity, had another successful year and has moved into the current year with a record level of orders, representing several months of secured installations. To meet

the results reflect a strong performance from all activities including Dolphin Showers, the new subsidiary bought in April 1978.

Alpine (Double-Glazing) Co, the group's largest activity, had another successful year and has moved into the current year with a record level of orders, representing several months of secured installations. To meet

the results reflect a strong performance from all activities including Dolphin Showers, the new subsidiary bought in April 1978.

Alpine (Double-Glazing) Co, the group's largest activity, had another successful year and has moved into the current year with a record level of orders, representing several months of secured installations. To meet

the results reflect a strong performance from all activities including Dolphin Showers, the new subsidiary bought in April 1978.

Alpine (Double-Glazing) Co, the group's largest activity, had another successful year and has moved into the current year with a record level of orders, representing several months of secured installations. To meet

the results reflect a strong performance from all activities including Dolphin Showers, the new subsidiary bought in April 1978.

Alpine (Double-Glazing) Co, the group's largest activity, had another successful year and has moved into the current year with a record level of orders, representing several months of secured installations. To meet

the results reflect a strong performance from all activities including Dolphin Showers, the new subsidiary bought in April 1978.

Alpine (Double-Glazing) Co, the group's largest activity, had another successful year and has moved into the current year with a record level of orders, representing several months of secured installations. To meet

the results reflect a strong performance from all activities including Dolphin Showers, the new subsidiary bought in April 1978.

Alpine (Double-Glazing) Co, the group's largest activity, had another successful year and has moved into the current year with a record level of orders, representing several months of secured installations. To meet

the results reflect a strong performance from all activities including Dolphin Showers, the new subsidiary bought in April 1978.

Alpine (Double-Glazing) Co, the group's largest activity, had another successful year and has moved into the current year with a record level of orders, representing several months of secured installations. To meet

the results reflect a strong performance from all activities including Dolphin Showers, the new subsidiary bought in April 1978.

Alpine (Double-Glazing) Co, the group's largest activity, had another successful year and has moved into the current year with a record level of orders, representing several months of secured installations. To meet

the results reflect a strong performance from all activities including Dolphin Showers, the new subsidiary bought in April 1978.

## Martin Black second half loss: dividend halved

Because of the continuing weakness of the Canadian dollar against sterling incorporation of Canadian trading results and balance sheet figures into Consolidated Accounts gives rise to exchange losses so that the true progress of the Canadian company is not fully reflected in sterling.

In the UK home sales tonnage of high tensile steel wire ropes was some 5 per cent below the 1977 level. A more significant reduction was in sales to offshore drilling and export markets where, together, tonnages dispatched fell by nearly 15 per cent.

The relative weakness of both the U.S. and Canadian dollars, the sharp decline in 1978 of new constructions for the offshore oil drilling industry and intense price competition from West European manufacturers and others are factors contributing to this downturn.

The directors report that up to the time of the interim report the recovery in Canada was most encouraging but, because of irrecoverable cost increases, the full year's figures reflect severe pressure on margins during the last few months of 1978. A price increase from the beginning of 1979 should give a good start to the current year.

The directors report that up to the time of the interim report the recovery in Canada was most encouraging but, because of irrecoverable cost increases, the full year's figures reflect severe pressure on margins during the last few months of 1978. A price increase from the beginning of 1979 should give a good start to the current year.

1978 1977

Sales 14,607 12,645

Overseas sales 8,357 4,903

Trading profit 831 343

Depreciation 404 407

Interest 288 210

Losses on exchange 153 138

Profit before tax 179 124

Tax 47 104

Attributable to shareholders 132 93

From reserves 132 254

Loss 100 100

• comment

As regards the current year the directors point out that this started with the problems of the lorry drivers' dispute but this was generally resolved in February. Operating companies' forecasts for 1979 indicate a distinct improvement in group results over those of 1978.

Referring to the 1978 result the directors point out that the group's situation changed little

## Linread down to £0.11m midway

WITH the combined UK operations making a small loss, Linread turned to lower taxable profits of £107,000 in the half-year to January 27, 1979, compared with £189,000 last time. Turnover was £7.51m, against £7.04m.

The directors state that apart from the direct effect on operations, the national industrial disputes over the winter meant customers' demands were dramatically reduced in the last two months of the half year, with the result that the combined UK operations made a small loss in the first six months.

However, the German subsidiary continued to make progress and, as forecast, the Canadian subsidiary returned to a marginal profit.

On prospects, they state that assuming a return to industrial normality in the UK, the second half should produce a profit before tax similar to last year's £423,000.

This advertisement appears as a matter of record only.



## MITSUBISHI CHEMICAL INDUSTRIES LIMITED

Tokyo, Japan

DM 70,000,000  
6 1/2% Deutsche Mark Bonds of 1979/1984

Irrevocably and unconditionally guaranteed by The Mitsubishi Bank, Limited

Offering Price: 100 %  
Interest: 6 1/2% p. a. payable annually on April 30  
Repayment: on April 30, 1984  
Listing: Frankfurt am Main

Deutsche Bank

Yamaichi International (Europe) Limited

Mitsubishi Bank (Europe) S.A.

Swiss Bank Corporation (Overseas) Limited

Amsterdam-Rotterdam Bank N.V.

Banca Commerciale Italiana

Bank of America International

Bank Leu International Ltd.

Bank Arabe d'Investissement (B.A.I.)

Bank Générale du Luxembourg S.A.

Bank Nationale de Paris

Bank de Paris et des Pays-Bas (Suisse) S.A.

Baring Brothers & Co. Limited

Bayerische Vereinsbank

Caisse des Dépôts et Consignations

Chase Manhattan Limited

Copenhagen Handelsbank

Credit Industriel et Commercial

Daiwa Europe N.V.

Deutsche Bank

Dillon, Read Overseas Corporation

European Banking Company Limited

Groupement des Banquiers Privés Suisses

Hill Samuel & Co. Limited

Kleinwort, Benson Limited

Kuhn Loeb Lehman Brothers Asia Limited

Lloyds Bank International Limited

Merrill Lynch International & Co.

Morgan Grenfell & Co. Limited

NY Japan Securities Europe Limited

Wipros Kangya Kankinsho (Europe) Limited

Den norske Creditbank

Pierson, Halding & Pierson N.V. Limited

N. M. Rothschild &amp

## Oxley advances to £1.5m and sees more progress

PRE-TAX profit of Oxley Painting Group advanced 19 per cent from £1.41m to a record £1.55m in 1978.

The directors say the road haulage strike caused a severe profits setback but business has now improved and they expect further progress this year.

At midway, when pre-tax profit was up 38 per cent from £519,000 to £705,000, Mr. Lewis said the second-half surplus was expected to be no less than that of the last two months, despite considerably reduced Government assistance.

The temporary employment subsidy was cut from £800,000 to £107,000.

The pre-tax profit this time was struck after depreciation on freehold buildings of £19,000 and pre-acquisition profits of £30,000.

Turnover expanded 19 per cent from £19.83m to £23.6m.

Earnings per 25p share are shown down from 23.54p to 20.42p. But, fully diluted, they are stated to have risen from 17.34p to 18.48p.

The Board reports that the consolidated balance sheet shows a stronger financial position.

## NatWest planning big expansion for latest U.S. acquisition

National Westminster Bank, one of Britain's largest banks, is planning a major expansion of National Bank of North America, the New York-based bank it recently acquired.

This should add to the intense competition raging between large U.S. banks and foreign banks, both in domestic and foreign markets. Last week, NatWest paid about \$430m to CIT Financial Corp. for National Bank, the 13th largest commercial bank in New York state.

Mr. Robin Leigh-Pemberton, NatWest's chairman, said National Bank will be expanding in numerous areas, including consumer loans, new branches, automated teller machines and small-business loans. The bank will also be expanding its visa card programme and its lending to national companies.

A key step is NatWest's plan to inject about \$25m of additional capital into National Bank later this year. This reflects NatWest's support and commitment

### Best-ever £1.12m for Siemssen

TAXABLE PROFITS of Siemssen Hunter advanced from £814,000 to a record £1.12m in 1978, on turnover well ahead at £28.29m compared with

### Eagle Star's strong cash flow

AT DECEMBER 31 last the capital appreciation of Eagle Star Insurance's investments amounted to £84m in the shareholder's funds, which with capital and free reserves amounted to 87 per cent of general business premium income, reports Sir Denis Mountain, chairman. In the long term funds capital appreciation amounted to £1.22m.

The chairman says that although 1978 was a disappointing year in terms of insurance underwriting, there has been reasonable growth in pre-tax profits because of higher investment earnings. Much of this arises from the funds generated by what would otherwise be unprofitable insurance business.

The chairman stresses that forecasting the result of insurance underwriting is hazardous at the best of times but in the UK the group currently has a strong positive cash flow in both long term and general business. Subject to the general level of interest rates, this should continue to benefit investment income.

Sir Denis reports that in the UK there was a further increase in cash flow in 1978 of both the shareholder's and long-term

### Yearlings up to 11½%

The coupon rate on this week's batch of local authority yearling bonds has increased to 11½ per cent, against 10½ per cent the previous week. Issued at par, they are due on April 30, 1980.

The issues are: Grampian Regional Council (£1m), City of Swansea (£1m), London Borough of Lambeth (£0.5m), 25, 1984.

City of Nottingham (£0.5m), Highland Regional Council (£1m), Warrington Borough Council (£0.5m), Middlesbrough Borough Council (£0.5m), Castle Morpeth District Council (£0.25m), Worthing Borough Council (£0.25m), Cotswold District Council (£0.25m), Hartlepool Borough Council (£0.25m), Rhymney Valley District Council (£0.25m), Borough of Rushmoor (£0.5m), Woodspring District Council (£0.25m), West Wiltshire District Council (£0.5m), London Borough of Hackney (£2.5m), Chorley Borough Council (£0.25m), Derwentide District Council (£0.25m), Lancaster City Council (£0.75m), Uttoxeter District Council (£0.5m), Gateshead Borough Council (£0.25m), Preseli District Council (£0.25m), Cumbernauld and Kilmarnock District Council (£0.25m) and Borough of Tamworth (£0.25m).

Blackpool Borough Council and Warwick District Council have both raised 0.5m through the issue of 11½ per cent bonds at par, due on April 21, 1982.

Borough of Aylesbury has issued 12 per cent at par due on April 25, 1984.

### The Royal London Extracts from the annual statement of Mr. B.G. Skinner, Chairman

\* Our total income in 1978 was almost £98 million. Contributing to the 1978 figures is a record increase in combined life premium income of 13%. The new annual premiums of £5.6 million in the Industrial Branch represent an increase of 14% over the previous year, whilst the figure of £4.0 million in the Ordinary Branch was no less than 29% higher than 1977.

\* We are also very pleased that the Special Final Bonus was again extended by one year. This extension, coupled with Interim Bonus rates, has again had the effect of giving a very worthwhile increase in our policyholders' bonuses.

\* I believe it is becoming widely realised that the suggestion that insurance companies should be directed to steer funds towards investment in industry is negated by the great weight of evidence to the effect that, on commercial criteria, there is no shortage of funds for investment in industry. Direction of Insurance Company investment would lower the rate of return earned on policyholders' funds and could well lead to an undermining of confidence in life assurance as a form of savings.

\* During 1978 the bulk of the Society's new money (which amounted to some £5 million) was invested in long-dated

Government securities, the purchases being timed to take advantage of the periodic peaks in fixed-interest yields. £7 million was invested last year in properties and a further £12 million is already committed to property investment and development in 1979.

\* Last Autumn the Society introduced a new Personal Pension policy for the self-employed and others in non-pensionable employment. We further extended our range of contracts in the Ordinary Branch with the introduction of a joint life version of our "endowment plus" policy. In the Industrial Branch, we have introduced a new twelve year contract. We are confident that the new prospectuses in the life branches will provide a sound basis for expansion of the Society's activities during the eighties.

\* Earlier this month saw the introduction of the new system of life assurance premium relief. The Society has had to devote very substantial resources to ensuring that the necessary changes in both life branches could be accomplished in time. With the adoption of the increased sum assured method in the Industrial Branch, it was evident that the calculation of the claim amounts would be much more complex in the future. It was therefore decided that a centralised system of claims administration would best meet the new situation.

THE ROYAL LONDON  
MUTUAL INSURANCE SOCIETY LIMITED,  
Royal London House, Finsbury Square, London EC2A 1DP

## United Carriers expands

WITH second-half profits rising from £1.05m to £1.32m, United Carriers turned in a record taxable surplus of £2.85m in the year to January 27, 1979, compared with £2.25m previously.

Turnover of this road transport operator was well ahead at £21.58m, against £17.24m.

Reporting midway profits of £1.62m (£1.2m), the directors expected very satisfactory full-year results for the year of £8.00m (£5.37m), earnings per 10p share are shown up from 13.1p to 16.2p. The net total dividend is lifted from 2.3337p to a maximum permitted 2.9314p, with a 1.9484p final absorbing £28.963 (£199,385).

• comment

United Carriers has reversed its previous year's coming slide with an encouraging 26.5 per cent recovery in its full year profits. Results on the whole were better than expected as reflected by the 9p rise in the share price to 113p yesterday. Although operations were slightly affected by the road haulage strike in January and the extremely bad winter, the situation now appears to have improved with UC reasonably optimistic of moving ahead. Costs were up by 15 per cent on the year but with a 10 per cent growth in traffic carried and an overall 25 per cent rise in turnover, margins improved a fractional 0.2 to 13.2 per cent. The shares are on a p/e of 6.8 and a yield of about 4 per cent.

They say results for the first quarter of this year show a satisfactory improvement over the corresponding period last year.

After tax of £582,000 (£144,000), stated earnings per 10p share are up from 7.97p to 8.4p. As anticipated, the net total dividend is lifted from 2.7818p to a maximum permitted 3.1175p, with a 1.5919p final.

There is an £83,000 extraordinary credit this time from sale of an associated company.

TAXABLE profits of Danish Bacon Company fell from £1.71m to £1.64m in 1978 on turnover of £20.03m, against £20.65m. At the 32 weeks stage, the surplus slumped from £1.17m to £451,000.

A total of £223,000 is recoverable this time, compared with a £68,000 charge.

Stated earnings per 10p share are down from 41p to 24p. The net total dividend is raised from 6.641p to 6.687p, with a 3.56p final.

## BRUNTONS

COLD WORKED STEELS • Wire • Drawn Sections • Strip • STEEL WIRE ROPES

### "TENTH successive advance in dividends"

reports Mr A S Wood, Chairman

#### Comparative figures

|                      | 1968<br>£000 | 1969<br>£000 | 1970<br>£000 | 1971<br>£000 | 1972<br>£000 | 1973<br>£000 | 1974<br>£000 | 1975<br>£000 | 1976<br>£000 | 1977<br>£000 | 1978<br>£000 |
|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net total dividends  | 202          | 239          | 265          | 306          | 352          | 386          | 427          | 456          | 502          | 565          | 630          |
| Dividends per share* | 2.52p        | 2.98p        | 3.31p        | 3.83p        | 4.40p        | 4.82p        | 5.34p        | 5.70p        | 6.27p        | 7.06p        | 7.88p        |

\* Not figures as adjusted for Scrip issue in 1974.

#### Capital Expenditure

The bulk of the expenditure of £755,000 was for the Wire Production, the balance being mainly for the Wire and the Strip divisions. A considerably smaller sum will be spent on new plant during the current year but plans are being considered for further substantial modernisation in 1980.

#### Prospects for 1979

There is still no sign of an upturn in the demand for steel products continued throughout the year and for the Company's three main products—strip, wire and wire ropes—the total U.K. production fell. The Company, however, slightly increased its share and the volume of its output fell only marginally (by 0.6%).

In the circumstances the Trading Profit increase of 16.1% may be considered satisfactory. The reduction of this increase to 6.8% at the Profit before Taxation stage is mainly attributable to higher depreciation, lower interest from investments and to there being no Capital Gains benefit.

A second interim dividend of 4.3764p net per share will be paid, making the total for the year 7.8212p net; the maximum permitted. This represents a total gross dividend of 11.6734p per share (1977—10.6122p). A balance of profit of £315,621 is added to Reserve.

The annual general meeting will be held on 17th May, 1979. Copies of the full report can be obtained from The Secretary, Bruntons (Musselburgh) Ltd., Musselburgh EH21 7UG, Scotland.

# Turner & Newall's important role in the microelectronics industry

The Advisory Council for Applied Research and Development recently nominated microelectronics as the most influential technology of our time.

If that's so, the future looks especially bright for T&N's chemicals division.

Our American subsidiary, Hunt Chemical, pioneered the negative photoresists essential to the manufacture of micro-circuit silicon chips. Today it is the largest supplier in the world, and is a growing supplier of positive photoresists.

Specialty chemicals is just one of the businesses in which T&N is making its mark internationally.

We are actively investing and growing in automotive components, plastics, man-made mineral fibres and construction materials, in addition to mining asbestos.

Turner & Newall has evolved at such a rate recently that your view of us may be rather out of date.

Why not correct that, by writing for our corporate brochure now?

**TURNER & NEWALL LIMITED**

Providing what the future needs

To: Public Relations Dept., Turner & Newall Ltd., 20 St. Mary's Parsonage, Manchester M3 2NL.

Please send me a copy of your corporate brochure and/or Report & Accounts

Name \_\_\_\_\_

Address \_\_\_\_\_

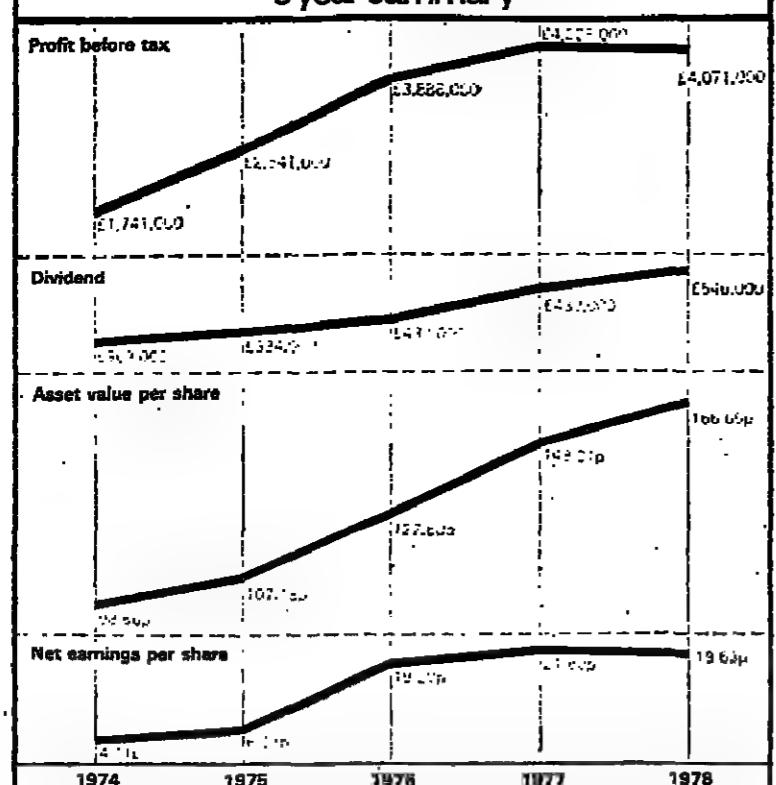
M 25.4

One silicon chip stores thousands of elements of information. Photoresists are essential to silicon chip production and Hunt Chemical, a T&N company, is the leading USA supplier of these specialty chemicals.



**Gibbons Dudley Ltd**  
Building Products, Refractories, Engineering, Industrial Estates

## 5 year summary



The Annual General Meeting will be held on 16th May at Birmingham Metropole Hotel, National Exhibition Centre. Copies of this Report and Accounts may be obtained from the Secretary, P.O. Box 19, Dudley, West Midlands, DY3 2AO.

# Silentnight ahead to £4.1m Improving trend but lorry strike hits profits at Bodycote

Silentnight Holdings reported record profits and turnover for the year to January 27 1979. The directors say profitability would have been higher, but for the bad weather and the haulage strike early this year. However trading has now returned to a more normal pattern.

The group turned in taxable profits of £4.12m, against £3.23m, after advancing from £1.3m to £1.76m at the halfway stage. Turnover for the year jumped from £38.43m to £50.9m.

The profits figure was struck after interest charges up from £232,000 to £384,000. Tax takes £265,000, compared with £145,000 after which stated earnings per 10p share are ahead from an adjusted 18.8p to 25.7p.

After an extraordinary debit of £244,000 last time, attributable profits come out at £3.85m, against £2.57m.

There is a one-for-two scrip issue. The final dividend of 2.53p net lifts the total from an adjusted 2.6729p to 3.65p.

The group manufactures beds, upholstery and furniture.

|                     | 1978-79 | 1977-78 |
|---------------------|---------|---------|
|                     | £000    | £000    |
| Turnover            | 50,925  | 38,225  |
| 1st half profit     | 5,024   | 3,232   |
| Interest            | 384     | 232     |
| Profit before tax   | 4,118   | 3,232   |
| Taxation            | 298     | 116     |
| Profit after tax    | 3,820   | 2,215   |
| Extraordinary debit | 244     | 244     |
| Attributable        | 3,820   | 2,215   |
| Dividends           | 310     | 232     |
| Retained            | 3,840   | 2,313   |

© comment

With its one-third sales rise, Silentnight has kept ahead of the

furniture industry. Margins, however, have faltered slightly as a result of the difficult trading conditions in January and the running-in expenses incurred at the new furniture factory. Together they probably trimmed around £350,000 off the final profits. In the current year the company should start benefiting from the £4.5m capital expenditure programme which will boost capacity, especially on the bedding side where Silentnight is the market leader. The company has been able to finance this expansion entirely out of cash flow and borrowings have been reduced to around a fifth of shareholders' funds, against nearly a third a year ago. The shares rose 7p to 128p where the p/e, on a low tax charge is 4.9 and the yield is 4.3 per cent.

There was a satisfactory growth in domestic banking services from short-term financing to medium-term lending, says Mr. Wells. Acceptance credit facilities reached £30m at the year end. Demand was strong for documentary credit and collection services and there was an increase in lending in foreign currency to UK and overseas companies.

Foreign exchange trading income reached a satisfactory level in spite of market uncertainties due to US dollar's weakness and, in the latter half of the year, high interest rates in the UK and US.

The investment management department became responsible for the portfolio management of a number of additional pension funds, institutions and charities.

About £75m of private and institutional funds are now managed by the department.

At the end of 1978 capital and reserves stood at £11.27m (£10.82m for the previous 12 months). Acceptances for customers rose from £28.27m to £29.08m and total assets were lifted from £114.36 to £152.15m. Treasury bills, bank certificates of deposit and bills discounted jumped from £10.8m to £7.75m.

The company is a wholly-owned subsidiary of The Charterhouse Japhet Group.

In the 15 months to the end of

1978 the company made £949,000 after tax and transfer to inner reserve, compared with £815,000 for the previous year.

There was a satisfactory growth in domestic banking services from short-term financing to medium-term lending, says Mr. Wells. Acceptance credit facilities reached £30m at the year end. Demand was strong for documentary credit and collection services and there was an increase in lending in foreign currency to UK and overseas companies.

Foreign exchange trading income reached a satisfactory level in spite of market uncertainties due to US dollar's weakness and, in the latter half of the year, high interest rates in the UK and US.

The investment management department became responsible for the portfolio management of a number of additional pension funds, institutions and charities.

About £75m of private and institutional funds are now managed by the department.

At the end of 1978 capital and reserves stood at £11.27m (£10.82m for the previous 12 months). Acceptances for customers rose from £28.27m to £29.08m and total assets were lifted from £114.36 to £152.15m. Treasury bills, bank certificates of deposit and bills discounted jumped from £10.8m to £7.75m.

The company is a wholly-owned subsidiary of The Charterhouse Japhet Group.

© comment

With its one-third sales rise, Silentnight has kept ahead of the

Bodycote International, the industrial clothing and textiles group, reports pre-tax profits £25,000 to £118,000 and minorities up from £5,000 to £11,000 and net attributable profit emerged ahead from £1,432,000 to £1,634,000.

Earnings per 25p share are shown to have improved from 18.14p to 20.70p. A final dividend up from 1.416p to 1.5774p increases the net total from 2.7156p to 3.0233p a share, the maximum permitted.

© comment

With a little help from Polar Contract Hire, acquired a year ago, Bodycote is able to report profits for 1978 just slightly ahead of 1977. Without Polar the result would have been a slight downturn. The traditional protective clothing and general textile businesses had a slightly better second half.

Consequently they feel it is not appropriate to diversify and construct a more broadly based industrial group.

The directors consider that, over the next few years, the group's mainstream activities could well reach dominant trading positions in their own spheres through organic growth.

Consequently they feel it is not appropriate to diversify and construct a more broadly based industrial group.

The investment management department became responsible for the portfolio management of a number of additional pension funds, institutions and charities.

About £75m of private and institutional funds are now managed by the department.

At the end of 1978 capital and reserves stood at £11.27m (£10.82m for the previous 12 months). Acceptances for customers rose from £28.27m to £29.08m and total assets were lifted from £114.36 to £152.15m. Treasury bills, bank certificates of deposit and bills discounted jumped from £10.8m to £7.75m.

On future prospects the directors state that at the beginning of 1979 the group's order books were the best for several years and prospects were encouraging. The adverse conditions in January and February, however, will exact a penalty on performance. But they are quietly confident that 1979 will be a good year and that the group's plans will not be further frustrated.

Turnover increased from

shares of 10p and reclassified as non-voting "A" ordinary shares.

© comment

With the return to profits in September of the Denby dyeing and finishing business plus a recovery from the ECHO subsidiary in Holland. By November profits from ECHO, which dipped badly in the first half, were back on budget. Further consolidation of the traditional activities plus growth from the Polar subsidiary and the Blandburgh engineering operations acquired earlier this week indicate a better profit in 1979, despite the slow start due to weather and industrial unrest.

The shares, at 97p, are up 4.8p and a yield of 4.2 per cent. The low yield could be holding the price back.

© comment

Grampian TV ahead, and plans dividend boost

Profits of Grampian Television for the year to 28 February, 1979 were up to expectations. The group lifted taxable surplus from £372,183 to £405,713 on turnover, ahead from £353m to £4.43m.

The group is paying a second interim of 1.64p net and is applying to the Treasury to pay a final of 0.42p per 10p share. If permission is granted the total payout would be lifted from 2.8p to 3.84p. There is also a proposed scrip issue.

At half-year taxable profits stood at £192,112 after deducting an exchequer levy provision of £34,000. The directors then said they hoped second-half profits would not be less than the first.

The year's profit figure was struck after an exchequer levy of £78,218 (£38,000). Tax takes £145,885, against £167,406.

The profit is one new non-voting "A" ordinary for every 20p in nominal amount of management shares, ordinary and non-voting "A" ordinary held.

Board says part of the revaluation reserve will be used to be capitalised for the scrip and 180,000 unclassified shares of £1 will be sub-divided into 500,000 shares.

© comment

A 16.6 per cent increase in taxable profits, from £105,776 £123,395, in the half-year to December 31, 1978, is reported to Spencer Gears (Holdings) general engineer and industrial gear manufacturer.

The directors say prospects for the rest of the year are good, at once again increased profits expected in the second half.

In the last full year, there was a profit of £330,260 surplus.

Half-year turnover rose 1 per cent from £1.9m to £2.06.

After tax of £16,014 (£14,274 stated earnings are higher 1.17p (0.56p). The net interim dividend is effectively stepped from 0.12p to 0.25p last year was equivalent to 1.006.

SSAP 18 has been adopted in 1977 figures have not been adjusted.

© comment

Excerpts from Chairman's Statement for the year ending 28th February 1979

TRADING PROFIT OF £447,667

PRE-TAX PROFITS OF £376,744

ACCUMULATED RESERVES OF £173,753

DEVELOPMENT TURNOVER OF £1.3m

EARNINGS PER SHARE OF 288 PENCE

NET ASSET VALUE PER SHARE OF 456 PENCE

© comment

Mr. Allan Campbell Fraser, Group Chairman states, "These figures show the group to be in an exceptionally strong position; unburdened; and free to take full advantage of its present resources and future potential."

Copies of the Chairman's Statement are available from:

P.R. Department, D.C.I. (Holdings) Ltd., Ingram House

227 Ingram Street, Glasgow G1 1DA

© comment

Wolf Electric Tools

Points referred to in the Chairman's Statement

Group Sales established a further new record and Pre-Tax Profits, up 10.4%, have also reached their best ever figure.

The Directors recommend a final dividend of 3.15778% making 5.65778% for the year (1977 5.07%).

Due to unfavourable conditions the first quarter of 1979 shows some shortfall against Budget. There is a reasonable prospect that this can be made good despite increasing competition, and 1979 results should justify the excellent work of all Companies within the Group.

© comment

Sales £000 1978 1977

Trading Profit 18,406 16,284

Profit after Tax 2,969 2,668

Earnings per Share 1,433 1,247

Dividends per Share 11,11p 9,55p

© comment

\*Adjusted for Scrip issue in May 1978.

WOLF ELECTRIC TOOLS (HOLDINGS) LTD.

PIONEER WORKS, HANGER LANE, EALING, LONDON, W5 1DS

© comment

## BIDS AND DEALS

## 30% increase in SUITS dividend backs rejection of Lonrho offer

By JAMES BARTHOLOMEW

Scotish and Universal Investments (SUITs) estimates that its pre-tax profit rose 29 per cent to a record £8.98m in the year ending March 31, 1979. The board proposes a 30 per cent dividend.

This is the centrepiece of the rejection of Lonrho's bid by those three SUITS directors resolutely opposed to the offer. The document was sent to shareholders yesterday.

But Sir Hugh Fraser, the deputy chairman, looks set to accept the bid for the 58 per cent held by his family trusts.

"Unless there is an offer from someone else I think the family will be accepting," he said yesterday. The trusts would thus be accepting Lonrho shares at the current price of 78p per share. The rejection document issued by the three directors yesterday shows that trust of Sir Hugh is trustee sold 100,000 Lonrho shares in February at 64p per share.

In their rejection, the three directors say that the prospective Lonrho shares, which are part of the consideration offered, in

five yield on the shares of 7.3 per cent is now "significantly higher" than stock market average. They propose a final dividend of 9.5p per share, making a total of 9.5p for the year.

They emphasise that Lonrho

wants SUITS for its "key" 10 per cent stake in House of Fraser. This stake is worth at least £21.9m in the market, they claim, so Lonrho is implicitly valuing the rest of SUITS' industrial interests at £88.1m. The three directors insist this discount of £18.7m on their true value using the current stock market average price/earnings ratio of just over 9.

Moreover, this calculation does not allow for the substantial premium that Lonrho should pay for full control of various businesses such as the Glasgow Herald and Whyte and Mackay and the material influence which Lonrho would gain over House of Fraser.

The SUITS directors object to Lonrho's shares, which are part of the consideration offered. In

## L &amp; G restructuring details

DETAILS HAVE now been published of the Scheme of Arrangement for the restructuring of Legal and General Assurance Society, the second largest life assurance company in the UK. Under this scheme a new holding company will be formed — the Legal and General Group — which will acquire all the issued shares in the Society. Shareholders will be offered one 29p share in the Group for each 5p share in the present company.

The document points out that over a number of years, the Society has expanded its business as an insurance company, principally in the UK. But in recent years, it has expanded beyond the traditional insurance fields into managed funds pensions business and international reinsurance. It also operates insurance in several overseas countries, a move that has accelerated in recent years.

In these circumstances, there are technical reasons associated with UK legislation which make it advantageous for the parent company of the group not to be an insurance company. The

group has also reached a stage in its development where a greater degree of flexibility can be achieved by the formation of a new company, some reorganisation of subsidiary companies and a review of the management structure.

If the scheme becomes effective, it is proposed to separate the UK and international insurance operations and the investment management activities from January 1980. The Society will become the UK insurance operating company. The international insurance operations will be carried out by other subsidiaries.

The document also points out that the amount of non-life insurance business which the Society may write, is related to its share capital and reserves. The new company could raise loan capital and use it to subscribe for further shares in an insurance subsidiary. The Treasury has confirmed that under existing legislation, the new company would not be subject to dividend controls for its first two years.

an appendix they list six material considerations. One of them is that Lonrho received some 70 per cent of its stated profit from Africa in 1977-78. From 1967 to 1978 it has had to submit to nationalisation of or local participation in its activities in at least eight countries.

77p (now 180p). Mr. Hugh Laughland, chief executive of SUITS, replied yesterday that he did not want to argue who was responsible for the good performance of SUITS. Shareholders were entitled to full value regardless of this. But Mr. Bruce Fireman, one of SUITS' advisers, implied that the executive directors, who are rejecting the bid had first claim on the credit for SUITS' recent performance. He also said that a decision to sell the House of Fraser shares was only made in principle and subject to market conditions.

The three directors described Mr. Rowland's letter as a "document of desperation" and "pitched at an unworthy level."

**PETERS STORES PAYS £210,000 FOR I. WALTON**

Peters Stores has made a cash bid worth £210,000 for Isaac Walton and Company, the Newcastle-upon-Tyne tailor and outfitter.

Walton's latest audited accounts for the year ended July 29, 1978, showed profit before taxation of £26,514 (loss £4,195) on turnover of £948,191 (£936,112).

Figures for the six months to January 29, 1979, show profits of £45,000 (£16,100) on turnover of £567,900 (£476,900).

Net tangible assets were stated in 1978 accounts at £595,873

## KCA selling more assets

KCA International, the oil servicing and contracting group, is selling further assets to Ward Properties, the property investment and development group.

Costain said yesterday that "we have purchased the shares for long term investment purposes."

## B &amp; C OFFER NOT ENOUGH

THE OFFER of 200p per share cash from British and Commonwealth Shipping Company "does not in any way reflect the true value," of Common Brothers, says Common's chairman Sir Rupert Speir in the rejection document.

Common Brothers, which reported profits of £233,000 compared with £773,000 for the eight-month period ending February 26, 1978, tells shareholders that net assets of the group in the balance sheet at June 30, 1978, were £6,005m or 198p per share.

After adjusting for the profit for the period to February 26, 1979, and the surplus from various transactions, "and after allowing for taxation," the net assets have increased to 27,085m or 298p per share.

Common added: "The financial position of your company has been substantially strengthened over the past two years. The ratio of borrowings to equity which was 2.5 to 1 at June 30, 1977, was reduced to 1.1 to 1 at the last year end and is expected to be of the order of 0.8 to 1 at June 30, 1978."

## Stag Furniture Holdings Ltd.

|                                       | 1978    | 1977    |
|---------------------------------------|---------|---------|
| Turnover                              | £20,730 | £16,609 |
| Pre-tax Profits                       | £2,285  | £1,358  |
| Earnings per Ordinary Share           | 37.10p  | 21.06p  |
| Total Net Dividend per Ordinary Share | 6.5p    | 4.8p    |

Points from the statement by Mr. P. V. Radford, Chairman.

- A good year for the Stag Group with pre-tax profits up 68%. Dividend increase of 35% sanctioned by Treasury.
- Strong financial position — reserves stand at £5.63m and bank balances at £0.33m.
- Turnover and profit for the first quarter of the year are satisfactory.

Copies of the Report & Accounts may be obtained from the Secretary, Stag Furniture Holdings Limited, Haydn Road, Nottingham NG5 1DU.



## Record results'

The company achieved record results in 1978 and I look forward to being able to report further increases for this year.

Martin Ford  
Chairman

Results in brief  
1978

|                    |            |        |
|--------------------|------------|--------|
| Sales              | £6,490,017 | up 19% |
| Pre-Tax Profits    | £1,327,389 | up 40% |
| Earnings Per Share | 3.97p      | up 41% |

Copies of the Annual Report are available from The Company Secretary, Martin Ford Limited, Eden House, 451/453 Holloway Road, London N7 6LP.

**Martin Ford Ltd**  
Famous for Separates

## Has your Pension Fund performance met your actuarial requirements?

The investment return on your pension fund is a crucial factor in determining the real cost of providing pensions. If your pension fund is invested in an Exempt Unit Trust or an Insurance Company Managed Pension Fund or if you are advising clients in this area, the best aid to making decisions and monitoring performance is the Survey of Pooled Pension Funds.

The Survey contains comprehensive performance details of over 130 tax-exempt equity, fixed interest, property and mixed funds and of all the main market indices. Details of each fund's investment policy, charges and portfolio breakdown are included in a separate 'profile' for each fund.

The latest copy of the Survey, updated to 31st March 1979, is now available at a cost of £60 from Harris Graham & Partners, 30 Queen Anne's Gate, London, SW1H 9AW. 01-222 8033

## PENSION FUND PERFORMANCE

If you are involved with a segregated pension fund, Harris Graham provides a tailor-made service which compares your own fund's performance with that of similar pension funds on an up-to-date and consistent basis.

The meeting of ordinary shareholders to approve the scheme has been convened to be held immediately after the AGM on May 18, 1979.

Figures for the six months to January 29, 1979, show profits of £45,000 (£16,100) on turnover of £567,900 (£476,900).

Net tangible assets were stated in 1978 accounts at £595,873

in the 1978 accounts at £595,873

## Carron Company (Holdings) Limited



### EXTRACT FROM THE STATEMENT BY THE CHAIRMAN, MR. C. S. R. STROYAN

A pre-tax profit of £1,225,567 (153% up on previous year) reflects the increase in demand for our products during 1978. There has been no marked upturn in the number of housing starts for the year, but home improvements have provided a stimulus to the market.

Turnover has risen by 47% to £32m and production at the Works at Carron has been satisfactory.

The performance of Lotus Bathrooms has justified the confidence the Board had in making this acquisition. Both the Ceramic Company and Nationwide Plastics have made a satisfactory contribution to profits. The remaining half share in Carron France, the distributive company, has been purchased during the period.

In spite of the widespread industrial unrest and the appalling weather conditions experienced in January and February profits for the first three months of 1979 show a substantial increase over those for the corresponding period last year.

|                                    | Year to December |             |
|------------------------------------|------------------|-------------|
|                                    | 1978             | 1977        |
| Turnover                           | £32,022,000      | £21,795,000 |
| Profit before Taxation             | £1,225,567       | £83,510     |
| Profit after Taxation              | £1,028,635       | £66,768     |
| Dividend for Year (per Share Nett) | 3.98p            | 3.58p       |
| Earnings per Share                 | 12.24p           | 4.37p       |

The Annual General Meeting of Shareholders will be held at Carron on 17 May 1979 and the final Dividend on the Ordinary Shares will be despatched to Shareholders on the Register on 4 May 1979.

Activities—Baths, Sanitary Ware, Cookers, Radiators, Building Components and General Engineering Products.

## Ofrex Group Limited

Report and accounts from: The Secretary, Ofrex Group Limited, Ofrex House, Stephen Street, London W1A 1EA

**Results for 1978**

**Earnings per share up - 31%**

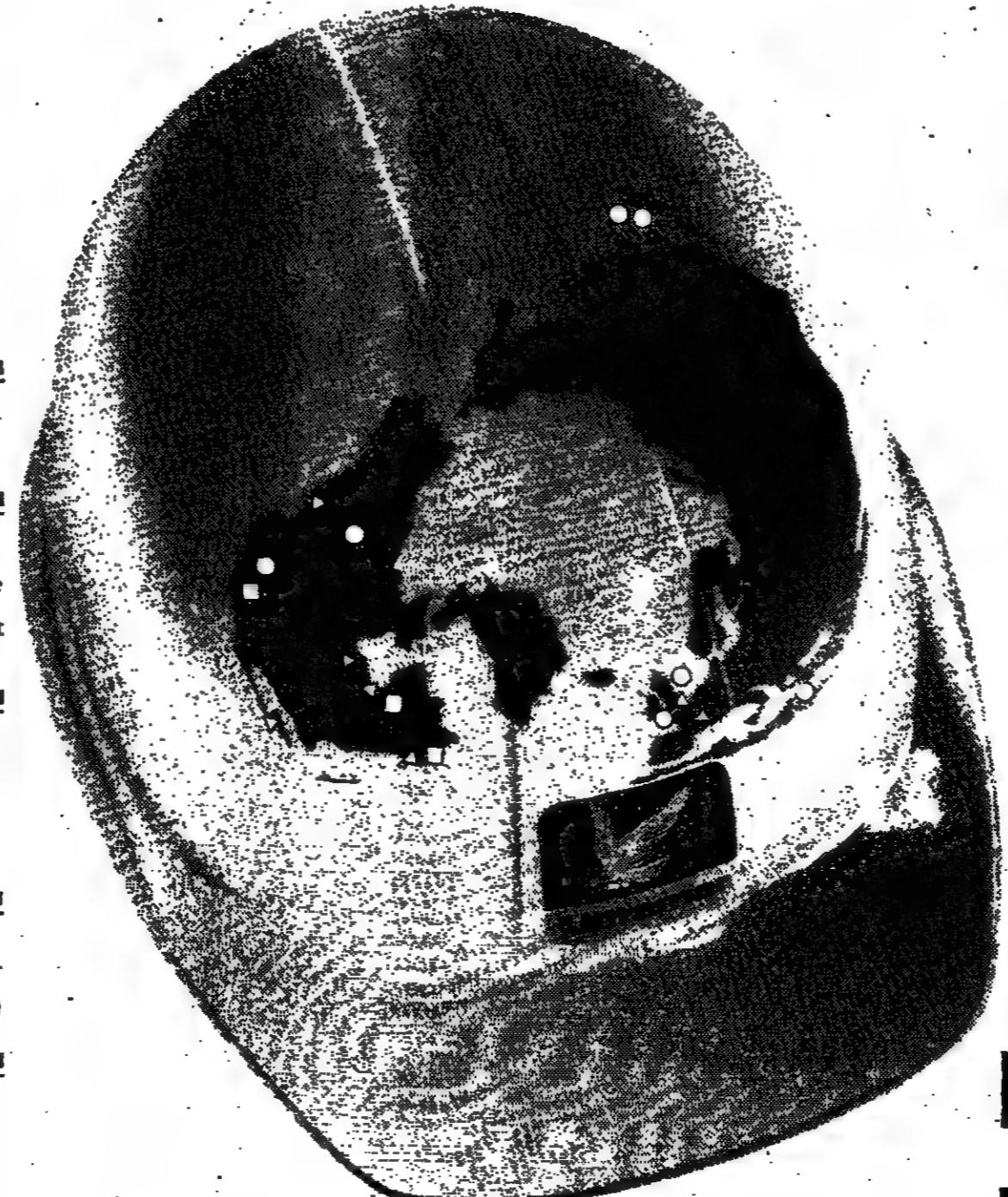
**Profits up - 25% to £4.9m**

**Sales up - 14% to £40m**

**Dividend - proposed increase to 20%**

Office supplies; stationery; educational supplies and equipment; paper handling and shredding machines; industrial fastenings; marking and non-metallic strapping equipment and supplies; tape measures; seat belt buckles and metal working machinery.

# Strength in Depth



Ultramar Company Limited is a British oil company which owns exploration, production, refining, shipping and marketing subsidiary companies in various parts of the world. The activities of the Ultramar Group comprise an integrated international oil business.

Extracts from Mr. Campbell Nelson's Statement to the Shareholders

**We are recommending a scrip distribution of one new Ordinary Share for every fifteen Ordinary Shares held.**

**Your Directors propose in November next to pay an interim dividend of 5p (net) per share on the Ordinary Shares as increased by the proposed scrip distribution. We expect to be able to follow this interim dividend by recommending a final dividend of the same amount at next year's Annual General Meeting.**

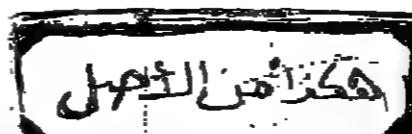
**We decided to tell you our proposals early in the year so as to remove any uncertainty as to our intentions. We are able to reach this milestone in our history because we have strengthened ourselves operationally and financially and we are confident that 1979 will be another successful year for Ultramar.**

**I believe the start up of cash dividends will not inhibit our growth. It will make for a better market in the shares so that there is a more positive response to our asset values, earnings and potential earnings.**

**At the present time a preponderance of our profits comes from Indonesia. We also have valuable contributions from California, Newfoundland and Western Canadian operations. Our position in Eastern Canada is greatly strengthened by the acquisition of Canadian Fuel Marketers putting us amongst the five largest marketers of oil products in the whole of Canada. We have profits starting the beginning of 1979 from our recently acquired interest in the UK North Sea Thistle Field and also from the UK North Sea Maureen Field starting late 1981 or early 1982.**

The illustration shows the locations of the Ultramar Group's worldwide exploration (O), marketing (Δ) refining (□) and shipping (—) activities.

**Ultramar** The British Oil Company



## UK COMPANY NEWS

### MINING NEWS

## Australian coal attracts Total

### Dividend from Golden Mile

KALGOORIE LAKE VIEW, the Western Australian gold producer, has made the first dividend distribution to its three shareholders since incorporation in 1973. As a result of this Gold Miners of Kalgoorlie, which holds 47 per cent, has declared a dividend of three cents (1.6p).

The total amount of the KLV distribution is A\$380,000 (£524,485), of which A\$260,000 goes to GMK. The same sum goes to Peacock Investments, successor to the ill-fated nickel concern, which also holds 47 per cent of KLV. Western Mining, the remaining shareholder, with 6 per cent receives A\$88,300.

KLV was formed by the merger of a number of mines on the Kalgoorlie "golden mile." Later it joined with Homestake Mining of the U.S. to form Kalgoorlie Mining Associates, with Homestake holding 48 per cent and KLV holding 52 per cent. KLV's dividend distribution itself springs from a distribution of A\$2m from Kalgoorlie Mining Associates.

After several lean years, Kalgoorlie Mining Associates is embarking on expansion with preliminary development at the Timiston leases. The base of its operations has been the Mount Charlotte gold mine. Yesterday in London, shares in Gold Mines of Kalgoorlie were unchanged at 62p. Seidenor shares were up 2p at 40p and Western Mining were unchanged at 147p.

### PROFITS SURGE AT FREEPORT

Freeport Minerals, the U.S. group, expects to have 1979 first quarter earnings of about \$1.47 (70m) a share, the second highest quarterly figure on record. Mr. Paul Douglas, the president, told the annual meeting in New York. The figure contrasts sharply with the 48 cents a share earned in the same period of 1978 and shows that the profits unsung in 1978 has continued. Net income for the whole of 1978 at \$1.35 (£15.1m) was worth \$2.07 a share.

Helped by the strong demand for agricultural minerals, net income from natural gas operations and improved prices for copper, income at Freeport could continue at the strong first-quarter level for at least six months, Mr. Douglas said.

He also told shareholders the loan financing of \$101.5m has been arranged for the Brisbel East copper project in Indonesia.

TOTAL AUSTRALIA, a unit of Compagnie Francaise de Petroles, is seeking a place in the development of the Australian coal industry and hopes to be able to produce and export between three and five million tonnes a year for the European steam and coking coal markets.

This declaration of intent, contained in the company's annual report, published in Sydney yesterday, swells the ranks of international oil companies seeking diversification through investment in Australian coal.

Although Total has no particular deposit lined up for exploitation, it laid its open to proposals from small companies seeking an inflow of capital by saying that opportunities for coal investment would be sought with Australian partners. The investments could be made either through joint ventures or by equity participation, the annual report said.

Total is thus joining Houston Oil and Minerals, British Petroleum, Shell and Exxon in the Australian coalfields. Houston's Australian subsidiary is engaged at Oaky Creek in Queensland, while Exxon Exploration and Production, an Exxon unit, is involved at Hall Creek, also in Queensland.

BP's Australian coal subsidiary, following the purchase of Clutha Development, has interests at Clarence, Eastern Main, Singleton, Tahmoor and the Burringorang Valley in New South Wales.

For its part, Shell has a 37 per cent stake in Amstel and Butta, the New South Wales coal group. It has interests in the Hunter Valley, at Avon and near Cullen Bullen in New South Wales, and in the Clarence Moreton basin in Queensland.

But the scope for major expansion in the Australian industry, by Total or any other international oil company, is limited without the participation of Australian equity.

In addition, Asarco continued to sell previously accumulated metal stocks at about the same rate as in the latter part of 1978 when such sales resulted in a "last in, first out" pre-tax profit of \$37.4m. The latest sales produced even higher revenue but no profits were recognised from this source for the quarter, they are only taken into account for the full year.

According to Nippon Steel, a group of four Japanese steel firms has signed a contract to buy 160,000 tonnes of iron ore from the Soviet Union for shipment in 1979 under a four-

Looking ahead over the next few years there is the probable expansion of the LNG plant in Indonesia. Much of our present capital expenditure is aimed at establishing the necessary additional gas reserves. There are also the projects for the catalytic cracker in Quebec and the modernisation of the California Refinery both of which would lead to sizeable additional profits. It is gratifying that the new North Sea Exploration Group in which we have a 33% per cent interest and of which we are the operator, has been awarded a licence in the Molay Firth area. We are also very pleased that the Phillips Group in which we have a 6 per cent interest has been awarded a licence covering a neighbouring block.

### Summarised Financial Results

|                                  | 1978    | 1977    | 1976    | 1975    | 1974    |
|----------------------------------|---------|---------|---------|---------|---------|
| Sales                            | £000    | £000    | £000    | £000    | £000    |
| Cash flow from operators         | 595,133 | 472,652 | 571,875 | 275,344 | 251,454 |
| Operating profit before taxation | 31,632  | 26,744  | 12,019  | 22,754  | 21,691  |
| Operating profit after taxation  | 37,786  | 24,709  | 12,323  | 19,741  | 16,167  |
|                                  | 16,231  | 12,598  | 7,353   | 13,587  | 12,503  |

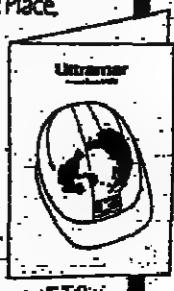
The Annual General Meeting will be held at Winchester House, 100 Old Broad Street, London, EC2 on Friday 1st June 1979 at 11.30 a.m.

If you would like to receive a copy of the 1978 Annual Report please complete the coupon.

To: The Secretary, Ultramar Company Limited, 2 Broad Street Place, London EC2M 7EP  
Please send me a copy of the Ultramar 1978 Annual Report.

Name \_\_\_\_\_

Address \_\_\_\_\_



FT2

## NORTH AMERICAN NEWS

## Currency translations give Xerox a boost

By Stewart Fleming in New York

XEROX, the U.S. copier and duplicator manufacturer, has reported a sharp rise in first-quarter earnings, partly as a result of the favourable impact of foreign currency translation.

The company said yesterday that net income was 27 per cent higher than a year ago at \$13.8m or \$1.66 a share, compared with \$10.56m, or \$1.31 a share.

Total operating revenues rose from \$1.85bn to \$1.57bn.

First-quarter rental and service revenue was 12 per cent higher, while revenue from the outright sale of copiers and duplicators and other Xerox products increased by 27 per cent.

The outright sale of equipment boosts profits in comparison with leasing, which spreads the earnings stream over a number of years.

Xerox pointed out that the profits it reported were the highest for any first quarter in the company's history, and that operating revenues were a record for any Xerox quarter.

## Monsanto rise in first quarter

By Our Financial Staff

FURTHER EVIDENCE of the significance to company profits of the recovery of the dollar is indicated by the first-quarter outcome at Monsanto, the major chemicals and fibres producer.

Net earnings have risen by 19.2 per cent to \$161.8m, with share earnings up from \$3.71 to \$4.44.

A \$1.25bn sales showed a 21 per cent gain.

But the net earnings figure includes a gain of 18 cents a share on foreign currency translation, against a similar loss of 45 cents last time.

The company said it is cautious about the balance of the year for several reasons. It referred, among other factors, to sharply rising costs for feedstock raw materials and continuing losses at its European nylon operations and plastics subsidiary in Spain.

Selling prices in the first quarter were up 6 per cent and U.S. prices 4 per cent. The company's sales gains came mostly from increased physical volumes, which rose 15 per cent on the comparable quarter.

## Upturn at IU International

By Our Financial Staff

The Delaware-based transport and utility company IU International reports that net earnings from operations before foreign currency adjustments, increased by 29 per cent to 72 cents a share in the first quarter, compared with 56 cents a year ago.

After currency adjustments, net earnings for the quarter were \$20.7m or 59 cents a share, down from \$23.2m or 69 cents a share in the opening quarter of 1978. First-quarter revenues rose by 15 per cent to \$72.7m, up from \$63.0m a year earlier.

First-quarter currency adjustments, which chiefly reflected the rising value of the Canadian dollar, reduced net earnings by 13 cents a share, compared with a gain from currency adjustments of 13 cents a year ago.

## AMERICAN QUARTERLYS

AMERICAN BROADCASTING

|               | 1978     | 1977   |
|---------------|----------|--------|
| Revenue       | \$461.0m | 415.8m |
| Net profits   | 25.47m   | 21.8m  |
| Net per share | 0.91     | 0.76   |

ANCHOR HOCKING

|               | 1978   | 1977  |
|---------------|--------|-------|
| Revenue       | \$2.5m | 1.8m  |
| Net profits   | 0.98m  | 0.72m |
| Net per share | 1.46   | 0.81  |

ARMACO

|               | 1978   | 1977   |
|---------------|--------|--------|
| Revenue       | \$5m   | 5m     |
| Net profits   | 1.22bn | 945.2m |
| Net per share | 1.27   | 0.64   |

ASARCO

|               | 1978     | 1977   |
|---------------|----------|--------|
| Revenue       | \$402.3m | 242.8m |
| Net profits   | 37.35m   | 11.1m  |
| Net per share | 1.10     | 0.74   |

BECTON DICKINSON

|               | 1978     | 1977   |
|---------------|----------|--------|
| Revenue       | \$203.6m | 179.4m |
| Net profits   | 50.1m    | 42.5m  |
| Net per share | 0.77     | 0.52   |

BETHLEHEM STEEL

|               | 1978     | 1977   |
|---------------|----------|--------|
| Revenue       | \$1.24bn | 1.24bn |
| Net profits   | 55.2m    | 1.1m   |
| Net per share | 1.36     | 0.02   |

BURNDY

|               | 1978    | 1977  |
|---------------|---------|-------|
| Revenue       | \$51.3m | 42.7m |
| Net profits   | 5.03m   | 3.65m |
| Net per share | 0.61    | 0.58  |

CAROLINA POWER AND LIGHT

|               | 1978    | 1977   |
|---------------|---------|--------|
| Revenue       | \$23.2m | 24.7m  |
| Net profits   | 44.06m  | 35.24m |
| Net per share | 0.92    | 0.85   |

CINCINNATI MILACRON

|               | 1978    | 1977  |
|---------------|---------|-------|
| Revenue       | \$12.4m | 14.7m |
| Net profits   | 10.39m  | 6.73m |
| Net per share | 1.39    | 0.92  |

CIT FINANCIAL

|             | 1978     | 1977   |
|-------------|----------|--------|
| Revenue     | \$27.04m | 18.27m |
| Net profits | 2.01     | 0.78   |

CLARK EQUIPMENT

|               | 1978    | 1977   |
|---------------|---------|--------|
| Revenue       | \$41.4m | 35.1m  |
| Net profits   | 20.24m  | 17.75m |
| Net per share | 1.46    | 1.21   |

## Oil groups open year with strong gains in earnings

BY OUR FINANCIAL STAFF

AMONG A number of other major oil companies to report progress for the first quarter, Gulf Oil announced that net earnings had jumped by 80 per cent to \$249m, or from 79 cents a share to \$1.28. Sales of \$5.57bn showed a rise of 14 per cent.

Mr. Jerry McAfee, the chairman said that in light of the first-quarter performance he is recommending a \$100m increase in the group's domestic capital and exploration budget. Some \$225m will be spent worldwide, with about \$1.5bn spent in the U.S.

Shell Oil reported an increase of 16 per cent to \$223.9m in net earnings for the quarter, with share earnings up from \$1.31 a share to \$1.47. Sales jumped by 19 per cent to \$2.6bn.

Texaco turned in net earnings of \$46.1m or 42 cents against \$36.9m or 37 cents, on sales of \$79.1m against \$65.5m.

Net earnings at Marathon Oil doubled to \$104.5m, or from \$1.67 a share to \$3.45, on sales of \$1.47bn, which was 20 per cent higher. The net included a extraordinary credit of \$23.6m or 78 cents a share, against a non-recurring gain of \$10.1m or 33 cents a share

in 1978.

A rise of 80 per cent brought net earnings at Texaco to \$306.9m, with share earnings of \$1.13 against 63 cents. Sales gained 19 per cent to \$8.36bn.

The net includes foreign currency translation gains of \$7.6m compared with losses of \$2.5m last year.

Net income for the 1979 quarter, however, was reduced by about \$83m as a result of extending the Life accounting method to inventories of crude oil, petroleum products and petrochemicals outside the U.S. effective from January 1.

## Indiana Standard well ahead

BY OUR FINANCIAL STAFF

STANDARD OIL of Indiana reports net income for the first quarter of 1979 of \$349.1m, a 28 per cent increase over the \$27.5m earned in the first quarter of 1978. Earnings per share were \$2.38 compared with \$1.87.

Revenues for the first quarter advanced by 15 per cent to \$4.4bn.

Mr. John E. Swearingen, chairman and chief executive, said that the increased earnings reflected improved refining, marketing and transport earnings overseas, which were up

significantly from last year. Also contributing were higher natural gas and crude oil prices worldwide and improved chemical volumes and margins.

Earnings from overseas petroleum operations increased by 94 per cent to \$123.8m. Exploration and production earnings accounted for \$82.2m of the total, up by 17 per cent. Higher worldwide crude oil prices and increased sales of natural gas more than offset the loss of earnings resulting from the shutdown of the company's production in Iran.

Earnings from downstream operations overseas amounted to \$41.4m compared with a loss last time of \$6.8m, which reflected a \$10m charge associated with the loss of the tanker Amoco Cadiz.

Earnings from domestic petroleum operations totalled \$201.8m, a 9 per cent increase. Of this amount, exploration and production operations accounted for \$165.5m, up 17 per cent.

First-quarter earnings from domestic downstream operations declined by 20 per cent to \$35.3m.

## INTERNATIONAL CAPITAL MARKETS

## Eurobond prices drift in quiet trading

BY FRANCIS GHILLÉS

ALL MAJOR sectors of the Eurobond markets were quiet yesterday. In the dollar sector, trading was described by dealers as virtually non-existent, with some professionals marking down prices a fraction in the hopes of attracting some business.

In the Swiss franc foreign bond market, prices have moved up by an average of one point since Monday, although trading is said not to be very active by dealers. This upward trend appears to be the result of the Swiss National Bank's decision, announced last week, to support the domestic bond market at current price levels.

The kind of information which the Bank of England is planning to strengthen its reporting requirements for the Eurocurrency business of banks in Britain by requiring them to consolidate selected figures for their foreign branches and subsidiaries with figures for head office business. It is having a meeting with the British Bankers Association tomorrow to take a first look at the details.

The kind of information which the Bank is likely to require includes a country by country breakdown of the deposits and lending by these foreign branches and subsidiaries. Loans (not deposits) to each country would in turn be broken down according to the date on which they are due to mature. This is the same kind of information which the Swiss National Bank's decision, announced last week, to support the domestic bond market at current price levels.

The French state railways company SNCF is expected to reopen the Swiss franc public bond market soon with a \$100m offering through Société Générale.

Earnings from overseas petroleum operations increased by 94 per cent to \$123.8m. Exploration and production earnings accounted for \$82.2m of the total, up by 17 per cent. Higher worldwide crude oil prices and increased sales of natural gas more than offset the loss of earnings resulting from the shutdown of the company's production in Iran.

Earnings from downstream operations overseas amounted to \$41.4m compared with a loss last time of \$6.8m, which reflected a \$10m charge associated with the loss of the tanker Amoco Cadiz.

Earnings from domestic petroleum operations totalled \$201.8m, a 9 per cent increase. Of this amount, exploration and production operations accounted for \$165.5m, up 17 per cent.

First-quarter earnings from domestic downstream operations declined by 20 per cent to \$35.3m.

## Bank of England plan for Eurocurrency reporting

BY MARY CAMPBELL

THE Bank of England is planning to strengthen its reporting requirements for the Eurocurrency business of banks in Britain by requiring them to consolidate selected figures for their foreign branches and subsidiaries with figures for head office business. It is having a meeting with the British Bankers Association tomorrow to take a first look at the details.

The kind of information which the Bank is likely to require includes a country by country breakdown of the deposits and lending by these foreign branches and subsidiaries. Loans (not deposits) to each country would in turn be broken down according to the date on which they are due to mature. This is the same kind of information which the Swiss National Bank's decision, announced last week, to support the domestic bond market at current price levels.

The French state railways company SNCF is expected to reopen the Swiss franc public bond market soon with a \$100m offering through Société Générale.

Earnings from overseas petroleum operations increased by 94 per cent to \$123.8m. Exploration and production earnings accounted for \$82.2m of the total, up by 17 per cent. Higher worldwide crude oil prices and increased sales of natural gas more than offset the loss of earnings resulting from the shutdown of the company's production in Iran.

Earnings from downstream operations overseas amounted to \$41.4m compared with a loss last time of \$6.8m, which reflected a \$10m charge associated with the loss of the tanker Amoco Cadiz.

Earnings from domestic petroleum operations totalled \$201.8m, a 9 per cent increase. Of this amount, exploration and production operations accounted for \$165.5m, up 17 per cent.

First-quarter earnings from domestic downstream operations declined by 20 per cent to \$35.3m.

in their international business. Hitherto, only the U.S. and Canadian authorities have required regular reports of consolidated figures. But the Bundesbank in its latest annual report on Monday said that German banking law might be amended to introduce similar reporting requirements there, while the Cooke Committee on international bank supervision is believed to be pressing for generalised change in this direction.

The banks required to meet the reporting requirements are expected to include all those incorporated in the UK — consortium banks and subsidiaries of foreign banks as well as banks which are British-owned. The requirements are likely to cover majority-owned subsidiaries abroad as well as branches and wholly-owned subsidiaries. Inclusion of minority-owned subsidiaries may also be required in cases where the commitment of the head office is bigger than its nominal shareholding would imply.

## MEDIUM-TERM CREDITS

## Korea Electric to raise \$100m

BY OUR EUROMARKETS STAFF

A \$100m 10-year "tax-sparing" loan is to be raised for Korea Electric in the Euromarkets by Midland Bank and Hill Samuel Syndication of the credit started yesterday.

The loan carries a spread of 1 per cent over interbank rates.

The low spread is explained by the special advantages enjoyed by UK-based banks which participate in the loan, which improves their return.

Under the terms of the double taxation treaty between the UK and South Korea, withholding tax is being effectively spared at the rate of 10 per cent on the interest on the loan, which is paid to the banks, which then receive an offset against UK corporation tax.

A Y10bn 12-year private placement by Jugobanks has been arranged by Long Term Credit Bank of Japan. The coupon paid by the borrower is 7.6 per cent with pricing at par. The same bank has arranged a Y10bn private placement for the Development Bank of the Philippines. The maturity is 10 years and the bond carries a guarantee of the Republic of the Philippines.

The loan carries a spread of 1 per cent over interbank rates.

The low spread is explained by the special advantages enjoyed by UK-based banks which participate in the loan, which improves their return.

Under the terms of the double taxation treaty between the UK and South Korea, withholding tax is being effectively spared at the rate of 10 per cent on the interest on the loan, which is paid to the banks, which then receive an offset against UK corporation tax.

A further \$91.8m is needed by the borrower to finance the U.S. goods and services needed to complete the pipeline.

The state phosphate company of Morocco, Office Chérifien des Phosphates, is expected to award a mandate shortly for a line

# OPPORTUNITY FOR PRIME POSITION DEPARTMENT STORE IN DUBAI, UNITED ARAB EMIRATES

Prime-position Department Store premises are now ready for occupation in the booming, oil rich U.A.E.

Within the last decade, a lot of the world has discovered the UAE — and not just for its oil. Along with free trade and hectic commercial enterprise, the UAE enjoys one of the highest per capita incomes in the world — with high, tax-free salaries giving a large percentage of the population tremendous purchasing power.

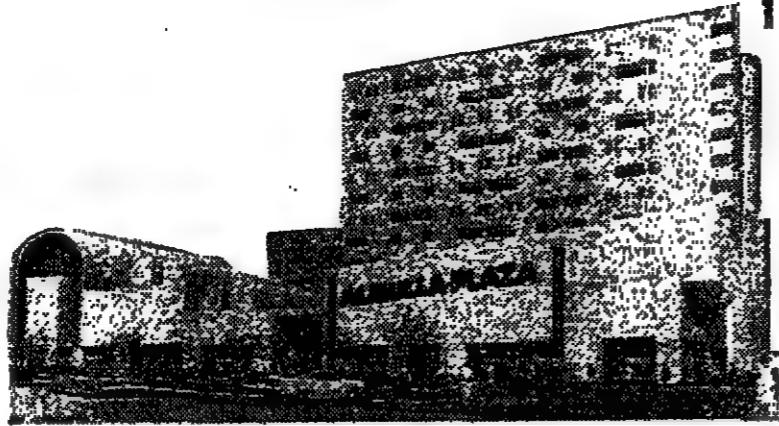
Dubai is the hub of this commercial activity — and that's where we've built Al Mulla Plaza, a one-stop Shopping Centre-cum-residential complex. It's situated in a prime position on the only link midway between two Emirates, the busy Dubai-Sharjah Road.

In addition to the 100,000 sq.ft. Department Store premises now available, the Plaza houses 108 apartments and a three-level shopping centre with a supermarket, 45 small shop units, restaurants, games rooms and play areas, all centrally airconditioned, with extensive, landscaped parking space outside.

Looks like the prime time for inquiries, doesn't it?

Full details on request to:

M.H.Goh, Tan & Partners or Mohamed & Obaid AlMulla  
Chartered Valuation Surveyors P.O. Box 59  
1001 Singapore Rubber House Dubai  
Singapore 1 United Arab Emirates  
Telex: NISSHIP RS21014 Telex: 45444 MULLA EM



## ALMULLA PLAZA

### National Westminster Bank Limited

has acquired, through a wholly owned subsidiary,

### National Bank of North America

The undersigned acted as financial advisor to National Westminster Bank Limited in connection with this transaction.

**MORGAN STANLEY & CO.**  
Incorporated

April 18, 1979

مكتبة المدار

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.  
45 Cornhill, London, EC3V 3PB. Tel: 01-623 6314.  
Index Guide as at April 19, 1979  
Capital Fixed Interest Portfolio ..... 115.15  
Income Fixed Interest Portfolio ..... 104.45

CLIVE INVESTMENTS LIMITED  
1 Royal Exchange Ave, London EC3V 3LU. Tel: 01-263 1101.  
Index Guide as at April 3, 1979 (Base 100 on 14.11.77)  
Clive Fixed Interest Capital ..... 165.00  
Clive Fixed Interest Income ..... 127.93

## Akzo sees further earnings upturn

BY CHARLES BACHELOR IN AMSTERDAM

AKZO, the Dutch chemicals and fibres group, expects a further modest improvement in its 1978 result, after climbing back into profit last year.

The company, which last paid a dividend of Fl 4 per Fl 20 nominal share, in 1974, does not exclude the possibility of resuming the payment this year but there are many uncertainties, Mr. Adolf van den Bos, the group president, said. The return to a dividend will be given the highest priority as soon as it can in any way be justified by the result.

A profit of around Fl 400m would be an acceptable level for Akzo, although it would not wait for this figure to be reached before resuming dividend payments. Board members indicated after yesterday's Press conference that net profits of

Fl 100m to Fl 120m might be possible this year.

Last year, the group produced a net profit, after extraordinary items, of Fl 21m (\$11.6m) after a loss of Fl 166m in 1977 and a total deficit of Fl 75m in the three years 1975-77.

The company's goal of reaching a healthier and more balanced product package in which specific know-how plays a larger part will not be reached until the late 1980s, it said. in its annual report.

An improvement in the short-term will depend on the still unresolved negotiations within the EEC for fibre capacity cuts and currency movements, which lopped Fl 500m off 1978 sales.

The impact of higher raw materials prices is a further uncertainty. The company's present forecast was made

before the latest announcement of oil price increases.

Akzo plans to make an ordinary bond issue on the Dutch capital market later this year. The company's liquidity is strong, the overall financial position is sound and the domestic and international capital markets continue to view Akzo favourably, Dr. Kruisinga said.

In the longer term it would aim to increase its share capital. It will have to refinance borrowings of Fl 125-200m a year in Holland over the next five years. This will require a cautious approach in view of the limited size of the Dutch market.

Akzo expects to invest Fl 500m in capital equipment and participations in 1978. It hopes to decide this year on the

construction of an electrolysis plant, probably in Rotterdam, costing more than Fl 200m. Fixed asset investment rose by 6 per cent to Fl 424m in 1978, while spending on participations was 30 per cent up to Fl 90m.

The improvement in the 1978 result was in line with expectations, although calculating assets at replacement rather than historic value may produce a loss, before extraordinary items of Fl 31m, compared with a profit of Fl 49m on an historic cost basis.

Operating profit rose by 60 per cent to Fl 474m in 1978 but after allowing for overheads and other costs not attributable to specific sectors, profit was 75 per cent higher at Fl 421m. Sales were 2 per cent higher at Fl 10.67bn (\$5.18bn).

## Profits rise at Banco de Vizcaya

By David Gardner in Madrid

BANCO DE VIZCAYA, one of Spain's "big seven" banks, turned in a net profit of Pta 3.25bn (\$7.61m) last year, a rise of 17.7 per cent on 1977. Deposits increased by 19.8 per cent to Pta 367.2bn.

Although a national bank, Vizcaya is based in the Basque country, which has suffered heavily from the structural crisis of the integrated steel and shipbuilding sectors, and the recession in the capital goods industry. The bank has therefore had to be particularly prudent in its investment and credit policy towards the area's heavy industry, with which it has a long association.

At its annual general meeting this year it has provided more information than is usual in the Spanish banking system, and claims that only 15.2 per cent of its outstanding loans — some 500 clients — top the Pta 300m mark, and that its risks are widely spread.

In common with other banks it has widened its safety net beyond the legal requirement and increased the servicing of its equity portfolio, to a total of Pta 5.24bn. At the same time, it has contributed Pta 32.2b under Government directed loans to strategic sectors of the economy.

Its cashflow position improved favourably with most of its competitors increasing 38.1 per cent last year to Pta 9.74b, while its capital and reserves rose 28.7 per cent to Pta 30.1b.

To counteract the increased demands into commercial bank deposits made by the savings banks, Vizcaya has introduced a more sophisticated and competitive savings account book. While its own deposits have grown, it has lost ground in its national ranking to the Banco de Santander, falling to six place, although the net result of this might be that it is called upon by the government to participate in the reflation of companies in difficulties.

The bank's foreign business has grown remarkably, yielding a profit of Pta 1.4bn, 18.7 per cent up on 1977. It has taken part in 44 syndicated loans against 20 in 1977 — worth \$3.72bn. This helped offset the negative effects of the Government's tight control on credit at home, a policy which is criticized as insufficient by the bank's chairman.

## Austrian union bank issue

By Paul Landvai in Vienna

BAWAG, THE Austrian tri-union bank, has floated its first ever loan issue, totalling \$400m (\$29m).

Herr Walter Floettl, chairman and director-general, said that this is the first € loan in the history of the bank. Total assets at Bawag have jumped from Sch. 11.42bn in 1971 and to Sch. 51.8bn last year.

The bank opted for a relatively small issue in order to underline the aim of promoting long-term savings and to protect for a firm level of the issue in the future. The Sch. 400m is floated in two tranches, each with a nominal interest rate of 7.25 per cent.

## Dutch builder forecasts steady progress

THE HAGUE — Holland's second largest construction group, results this year to be in line with those in 1978, when net profit rose to Fl 56.3m (\$28.15m) from Fl 48.6m.

According to the company's annual accounts, sales will not be behind the Fl 2.49bn of 1978, and may even rise, despite building delays in Holland due to the prolonged frost period at the beginning of the year.

Of total 1978 sales, Holland accounted for about 45 per cent compared with 42 per cent in 1977, while the share of countries outside Europe dropped from 38 per cent from 48 per cent.

Orders in hand at the end of 1978 fell to Fl 2.7bn from Fl 3.4bn at the end of 1977, partly due to completion of dredging work in Saudi Arabia. The order portfolio showed a favourable development in the first few months of the current year, although this was unequally shared among the different group sectors.

Capital investment in 1979 will be in line with the Fl 133m in 1978.

Reuter

## Swiss Banks conform to new capital ruling

BERNE — Banks in Switzerland had to increase their capital an average of 7.4 per cent as a result of the Federal Banking Commission's consolidation requirement which went into effect for 1977 annual financial statements.

According to the company's annual report, sales will not be behind the Fl 2.49bn of 1978, and may even rise, despite building delays in Holland due to the prolonged frost period at the beginning of the year.

Of total 1978 sales, Holland accounted for about 45 per cent compared with 42 per cent in 1977, while the share of countries outside Europe dropped from 38 per cent from 48 per cent.

Orders in hand at the end of 1978 fell to Fl 2.7bn from Fl 3.4bn at the end of 1977, partly due to completion of dredging work in Saudi Arabia. The order portfolio showed a favourable development in the first few months of the current year, although this was unequally shared among the different group sectors.

Capital investment in 1979 will be in line with the Fl 133m in 1978.

Reuter

## Algeria wins Geneva case

BERNE — The Swiss Federal

Banking Commission yesterday recognised the Algerian Government as the *de facto* owner of a commercial Arab bank in Geneva which held the missing multi-million war treasure of the former Algerian National Liberation Front (FLN).

A commission announcement

said that a study of all documents

led to the conclusion that the

majority of the share capital of

the Geneva Banque Commerciale

Arabe was bought in 1963 for the

account of the Liberation Front,

whose legal successor is the

Algerian Republic.

AP-DJ.

Swfr 4.29bn. This was a result of the massive appreciation of the Swiss franc, since, in terms of local currency, sales rose by as much as 11 per cent.

At the same time, valuation losses due to parity changes reached a level of Swfr 127m for the year. This was partially offset by cost reductions due to the currency division. In terms of Swiss francs, sales had fallen by 2.9 per cent while rising by 6.2 per cent at unchanged exchange rates. The period was not, however, comparable with the corresponding quarter of 1978 due to bad weather in the U.S., the loss of the majority shareholding in the Nigerian affiliate Ovaltine (West Africa) and the UK lorry-drivers' strike.

Last year, group turnover fell by ten per cent to

Swfr 4.29bn. This was a result of the massive appreciation of the Swiss franc, since, in terms of local currency, sales rose by as much as 11 per cent.

At the same time, valuation losses due to parity changes reached a level of Swfr 127m for the year. This was partially offset by cost reductions due to the currency division. In terms of Swiss francs, sales had fallen by 2.9 per cent while rising by 6.2 per cent at unchanged exchange rates. The period was not, however, comparable with the corresponding quarter of 1978 due to bad weather in the U.S., the loss of the majority shareholding in the Nigerian affiliate Ovaltine (West Africa) and the UK lorry-drivers' strike.

Last year, group turnover fell by ten per cent to

Swfr 1.07bn, despite a 1.9 per cent rise in terms of local currency, the company experienced a slight volume increase in its Agro-chemical business. The jump in local currency was 33.5 per cent last year and a 1.9 per cent improvement on a consolidated basis to Swfr 1.07bn. 1979 is seen as a "good year" with relatively high sales volumes and a low cost position at present.

Elsewhere, the seedbeds — whose 1978 turnover of Swfr 384m is not comparable with figures of the previous year — expects a 20 per cent increase in sales volumes for 1979 due to possible difficulties in the market. Turnover of the division is affected by the consolidation of Ovaltine (West Africa) but prospects for the sector are optimistic.

Swfr 4.29bn. This was a result of the massive appreciation of the Swiss franc, since, in terms of local currency, sales rose by as much as 11 per cent.

At the same time, valuation losses due to parity changes reached a level of Swfr 127m for the year. This was partially offset by cost reductions due to the currency division. In terms of Swiss francs, sales had fallen by 2.9 per cent while rising by 6.2 per cent at unchanged exchange rates. The period was not, however, comparable with the corresponding quarter of 1978 due to bad weather in the U.S., the loss of the majority shareholding in the Nigerian affiliate Ovaltine (West Africa) and the UK lorry-drivers' strike.

Last year, group turnover fell by ten per cent to

Swfr 4.29bn. This was a result of the massive appreciation of the Swiss franc, since, in terms of local currency, sales rose by as much as 11 per cent.

At the same time, valuation losses due to parity changes reached a level of Swfr 127m for the year. This was partially offset by cost reductions due to the currency division. In terms of Swiss francs, sales had fallen by 2.9 per cent while rising by 6.2 per cent at unchanged exchange rates. The period was not, however, comparable with the corresponding quarter of 1978 due to bad weather in the U.S., the loss of the majority shareholding in the Nigerian affiliate Ovaltine (West Africa) and the UK lorry-drivers' strike.

Last year, group turnover fell by ten per cent to

## JAPANESE SECURITIES HOUSES

## Bond market fall lowers profits

BY YOKO SHIBATA IN TOKYO

THE EARNINGS performance of Japan's four major securities companies, Nomura, Nikko, Daiwa and Yamaichi, were affected by the sharp decline in the bond market in the half-year to March. The companies all registered record earnings in the previous business half-year to September. However, unexpected price falls in the bond market centred on the Government bonds since the turn of this year eroded profits of each company.

For example, the Government bond with a yield of 6.1 per cent which was traded at ¥97 at the beginning of this year sagged to ¥90 at the end of last month. As a result, Japanese securities companies suffered heavy losses in bond related earnings (commission receipts and earnings from bond transaction).

Nomura's profits on sales of bonds during the period under review amounted to 18 per cent of those in the same period in the previous year. Nikko's

period in the previous fiscal year.

However, reflecting a brisk turnover in the stock market, commissions receipts on stock transactions fared well, accounting for 68 per cent of the annual

## FIRST-HALF RESULTS

|          | Revenue<br>Ybn | %<br>change | Operating<br>profits<br>Ybn | %<br>change | Net<br>profits<br>Ybn | %<br>change |
|----------|----------------|-------------|-----------------------------|-------------|-----------------------|-------------|
| Daiwa    | 54.59          | -2          | 15.48                       | -10         | 8.36                  | -7.5        |
| Nikko    | 65.80          | -6.7        | 25.09                       | -16.7       | 13.45                 | -13.6       |
| Nomura   | 105.66         | +1.8        | 39.93                       | +17.5       | 20.35                 | +3.8        |
| Yamaichi | 55.70          | +9.5        | 14.18                       | +15         | 7.51                  | +5.4        |

total in the previous year for Nomura, 65 per cent for Daiwa and 61 per cent for Nikko and 51 per cent for Yamaichi.

The financial balance of each of the securities companies also improved strongly, up 40 per cent for Nomura (to ¥12.6bn), up 27 per cent for Nikko (to ¥7.7bn), up 37 per cent for Daiwa (¥5.7bn) and up 58 per cent for Yamaichi Securities (to ¥5.4bn) over the corresponding

period in the previous fiscal year.

Nomura's operating revenue rose by 2.8 per cent to ¥105.65bn, operating profits by 17.5 per cent to ¥39.93bn, and net profit 3.8 per cent to

¥7.51bn.

In the current fiscal half-year, ending this September,

Nomura, Daiwa and Yamaichi expect that the bond market will bottom out around May and that bond related earnings will recover, while there will be in addition continuing favourable conditions on the stock market.

As a result, these three expect to register operating profits well above those in the previous six months.

Nikko Securities has a less favourable approach to the outlook for the bond market, and with the company having the largest holding of bonds (mostly convertible) in value among the four. According to Nikko, if the bond market continued to be dull, the company would incur ¥5bn of losses on sales of bonds. As a result, Nikko expects that its operating profits for the current six months will decline by 30 per cent over the previous half year.

Daiwa's operating profits declined by 16.7 per cent to ¥25.09bn, and net profits by 13.6 per cent to ¥13.45bn, on operating revenue of ¥65.80bn, down 6.7 per cent.

Daiwa's operating profits declined by 10 per cent to ¥15.48bn, net profits dropped by 7.5 per cent to ¥8.36bn, on operating revenue of ¥54.59bn, down 2 per cent. Yamaichi's

operating profits went up by 15.7 per cent to ¥14.18bn, and net profits by 5.4 per cent to ¥7.51bn.

In the current fiscal half-year,

ending this September, Nomura, Daiwa and Yamaichi expect that the bond market will bottom out around May and that bond related earnings will

## Higher tax cuts into earnings at Metcash

BY JIM JONES IN JOHANNESBURG

METRO Cash and Carry (Metcash), South Africa's largest and fastest-growing wholesaler, has reported a 38 per cent increase in turnover to R230.6m (\$389m) for the year to February 24, 1979, from R242.2m in the previous year. At the same time, total group pre-tax profit recorded a 52.5 per cent improvement to R11m (\$15m) against R7.2m although a higher tax incidence meant that the increase in net profit was only 44.5 per cent to R6.2m, compared with R4.3m.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

Metcash improved its trading results through a combination of new outlets, broader product range and better internal operating efficiencies. This was achieved in a year in which growing unemployment among South Africa's black

population, which Metcash serves through important sales to corner shops, cut into disposable incomes.

The company is confident that it has not reached the end of its growth. It has introduced a range of sanitary ware and building supplies and proposes to expand its number of outlets dealing in these high margin goods during the current year. Last year the number of outlets increased from 72 to 96, and by the end of the current year the group plans to have 116 stores trading.

# Akzo nv registered office at Arnhem

The annual general meeting of stockholders will be held on Tuesday, 15th May, 1979 at 10.00 a.m. at the RAI Congress Center, Europaplein, Amsterdam.

Facilities for simultaneous translation into English are available.

#### Agenda

- 1 Opening
- 2 Report of the board of management for the financial year 1978
- 3 Approval of the annual accounts and consideration of the proposal contained therein to omit the dividend
- 4 Determination of the number of members of the supervisory council; appointment of members of the supervisory council
- 5 Appointment of a member of the board of management
- 6 Annual decision concerning issues as required by the London Stock Exchange
- 7 Any other business

\* annually recurring agenda item in re compliance with the requirements of the London Stock Exchange concerning the listing of Akzo shares on that stock exchange

The agenda, the signed financial statements, as well as a list of personal data on the nominees for the supervisory council are available for inspection by stockholders at the Company's office, 82 Usselselaan, Arnhem.

There and through the undermentioned banks stockholders may obtain free copies of the aforesaid documents, as well as a free copy of the annual report.

Stockholders who wish to attend the meeting should deposit their shares in order to establish their identity not later than Wednesday, 9th May, 1979 for a period of seven days at the Company's office Arnhem, 82 Usselselaan, or with one of the following banks:

In the Netherlands with Amsterdam-Rotterdam Bank N.V., Algemene Bank Nederland N.V., Bank Mees & Hope N.V., Nederlandse Creditbebank N.V., Nederlandse Midlandsbank N.V. and Pierson, Helder & Pierson N.V. in Amsterdam.

Rotterdam, The Hague and Arnhem, insofar as said banks have branches in these cities, and with Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. in Utrecht:

in the Federal Republic of Germany and in West Berlin with Deutsche Bank AG, Deutsche Bank Berlin AG, Deutsche Bank Saar AG, Bank für Handel und Industrie AG, Berliner Handels- und Frankfurter Bank, Dresdner Bank AG and Sal. Oppenheim Jr. & Cie in Frankfurt a.M., West Berlin, Düsseldorf, Cologne, Hamburg, Saarbrücken and Würzburg:

in Belgium with Generale Bankmaatschappij N.V., Bank van Parc and de Nederlanden Belgé N.V. and Kredietbank N.V. in Brussels and Antwerp:

in Luxembourg with Banque Générale du Luxembourg S.A. in Luxembourg;

in the United Kingdom with Barclays Bank Limited, 54 Lombard Street, London EC3P 3AH;

in France with Lazard Frères & Cie, Banque de l'Indochine et de la Suez, Banque Nationale de Paris and Crédit Lyonnais in Paris;

in Austria with Creditanstalt-Bankverein in Vienna;

in Switzerland with Swiss Credit Bank, Swiss Bank Corporation, Union Bank of Switzerland in Zurich and Basel and their branches, and also with Pictet & Cie. in Geneva;

in the United States of America with The Chase Manhattan Bank N.A. in New York, N.Y.

Copies of the annual report will also be available for collection by stockholders during the period up to 15th May, 1979 at N.M. Rothschild and Sons Ltd., New Court, St. Swithin's Lane, London EC4P 4DU.

The supervisory council

Arnhem, 24th April 1979



## COMPANY NOTICES

### INTERNATIONAL COMMODITY SHARE FUND

"ICOFUND S.A.H."  
Institut für Commodity  
Securities Andorra  
23, avenue de Porte Neuve  
LUXEMBOURG  
LUXEMBOURG 9, 9342

**NOTICE**  
Pursuant to a resolution of the Annual General Meeting of Shareholders of the Company held on 23rd April, 1978, payment of US\$40.20 per share will be made on the 2nd May, 1979.

Paying agents:  
- Commerciale Italiana in Milan  
- Banca della Svizzera Italiana in Lugano and in Zürich

- Banque de Paris et des Pays-Bas in Brussels, Geneva and London

- Banque de Paris et des Pays-Bas pour le Grand-Duché de Luxembourg in Luxembourg

### CONTRACTS AND TENDERS

#### SYRIAN ARAB REPUBLIC

#### GENERAL ADMINISTRATION FOR THE DEVELOPMENT OF THE EUPHRATES BASIN

No. 72/10/1978  
CALL FOR OFFERS

The General Administration for the Development of the Euphrates Basin invites tenders for the following Machines and Equipments:

- Track-type tractors

- Self-propelled concrete mixer

- Concrete transportation

- Weighing-bridge with its construction

- Diesel engine

- Micros

According to the technical specification in the conditions book which is available from the General Administration for the Development of the Euphrates Basin at Thawra or its branches in Damascus, Aleppo, Hama, Homs, and Raaqqah, leaving 100 Syrian Pounds for the documents.

The time of delivery: Shortest possible time

- Interim deposit: 2% of the value

- Final Deposit: 5% of the value over and above the value of delay

Offers are submitted to the General Administration for the Development of the Euphrates Basin at Thawra or its branches in Damascus, Aleppo, Hama, Homs, and Raaqqah, within 15 days after the date of announcement.

General Director  
Michel ABD ALLA

### RESIDENTIAL PROPERTY

### LEGAL NOTICES

### KEW GARDENS

Lichfield Road, Chelmsford, detached Victorian family house, one minute's walk Kew Gardens and District Line 8½ bedrooms, 3 spacious receptions, 2 ground floor bedrooms w.c. kitchen, breakfast room, 2nd floor bathroom, Aga cooker. Working part fireplaces with open fireplaces, 2nd floor bathroom, 2 walled gardens. Overall 1000 square feet. Freshly painted. £110,000.

Marsh & Parsons  
01-727 9811

### HIGHGATE

Spacious 2 bedroom flat, freshly modernised, CH and furnished. Border of Highgate. Available for immediate let. £650 p.m. 01-453 7813 (after 6pm).

### CLUBS

### HOLIDAY ACCOMMODATION

MAJORCA Nr. Palma. Apartments, own pools, garden, beach, 4-6 people. Ideal for holidays. 2nd floor. All self-catering. 01-348 2843.

### APPOINTMENTS

### CHIEF FINANCIAL OFFICER

For New Swiss Trading Company

### START UP OPERATION

Have LC and FX experience plus normal Treasury background. Swiss resident or work permit required. French/English required. Curriculum vitae and salary history/requirement to Box A.6745, Financial Times, 10, Cannon Street, EC4P 4BY.

# executive HEALTH

by  
Dr. David Carrick  
(Medical Director, Financial Times)

ILLUSTRATIONS BY IONICUS

"The physician must have at his command a ready wit, as drowsiness is repulsive both to the healthy and the sick."

This delightfully witty book on the hazards of executive life is NOW AVAILABLE at £4.95 from bookshops or by post (cheque with order please) from:

Financial Times,  
Bracken House, 10 Cannon Street,  
London EC4P 4BY  
Reg. in England No. 227590

PUBLISHED BY BAY BOOKS Tel: 01-560 4864

## The war that never ends

We British are a peaceful people. When a war is over we like to consign it to the history books - and forget it.

But for some wars live on. The disabled from both World Wars and from lesser campaigns, now all too easily forgotten; the widows, the orphans and the children - for them their war lives on, every day and all day.

In many cases, of course, there is help from a pension. But there is a limit to what any Government Department can do.

This is where Army Benevolent steps in. With understanding. With a sense of urgency... and with practical, financial help.

To us it is a privilege to help these brave men - and women, too. Please will you help us to do more? We must not let our soldiers down.

## The Army Benevolent Fund

for soldiers, ex-soldiers and their families in distress

Dept. FT, Duke of York's HQ, London SW1 4SP

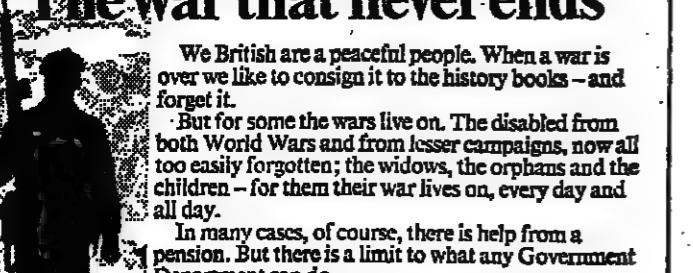
### Tenneco Inc

HOUSTON, TEXAS

1979  
is our 33rd  
consecutive  
year of cash  
dividend  
payments

M.H. COVEY, Secretary

Natural Gas Pipelines • Oil • Automotive Parts  
Shipbuilding • Construction & Farm Equipment • Chemicals  
Packaging • Agriculture & Land Management



Hezam Al-Taher

Arabic text: "The war that never ends"

Arabic text: "The Army Benevolent Fund"

Arabic text: "for soldiers, ex-soldiers and their families in distress"

Arabic text: "Dept. FT, Duke of York's HQ, London SW1 4SP"

Arabic text: "The Army Benevolent Fund"

Arabic text: "for soldiers, ex-soldiers and their families in distress"

Arabic text: "Dept. FT, Duke of York's HQ, London SW1 4SP"

Arabic text: "The Army Benevolent Fund"

Arabic text: "for soldiers, ex-soldiers and their families in distress"

Arabic text: "Dept. FT, Duke of York's HQ, London SW1 4SP"

Arabic text: "The Army Benevolent Fund"

Arabic text: "for soldiers, ex-soldiers and their families in distress"

Arabic text: "Dept. FT, Duke of York's HQ, London SW1 4SP"

Arabic text: "The Army Benevolent Fund"

Arabic text: "for soldiers, ex-soldiers and their families in distress"

Arabic text: "Dept. FT, Duke of York's HQ, London SW1 4SP"

Arabic text: "The Army Benevolent Fund"

Arabic text: "for soldiers, ex-soldiers and their families in distress"

Arabic text: "Dept. FT, Duke of York's HQ, London SW1 4SP"

Arabic text: "The Army Benevolent Fund"

Arabic text: "for soldiers, ex-soldiers and their families in distress"

Arabic text: "Dept. FT, Duke of York's HQ, London SW1 4SP"

Arabic text: "The Army Benevolent Fund"

Arabic text: "for soldiers, ex-soldiers and their families in distress"

Arabic text: "Dept. FT, Duke of York's HQ, London SW1 4SP"

Arabic text: "The Army Benevolent Fund"

Arabic text: "for soldiers, ex-soldiers and their families in distress"

Arabic text: "Dept. FT, Duke of York's HQ, London SW1 4SP"

Arabic text: "The Army Benevolent Fund"

Arabic text: "for soldiers, ex-soldiers and their families in distress"

Arabic text: "Dept. FT, Duke of York's HQ, London SW1 4SP"

Arabic text: "The Army Benevolent Fund"

Arabic text: "for soldiers, ex-soldiers and their families in distress"

Arabic text: "Dept. FT, Duke of York's HQ, London SW1 4SP"

Arabic text: "The Army Benevolent Fund"

Arabic text: "for soldiers, ex-soldiers and their families in distress"

Arabic text: "Dept. FT, Duke of York's HQ, London SW1 4SP"

Arabic text: "The Army Benevolent Fund"

Arabic text: "for soldiers, ex-soldiers and their families in distress"

Arabic text: "Dept. FT, Duke of York's HQ, London SW1 4SP"

Arabic text: "The Army Benevolent Fund"

Arabic text: "for soldiers, ex-soldiers and their families in distress"

Arabic text: "Dept. FT, Duke of York's HQ, London SW1 4SP"

Arabic text: "The Army Benevolent Fund"

Arabic text: "for soldiers, ex-soldiers and their families in distress"

Arabic text: "Dept. FT, Duke of York's HQ, London SW1 4SP"

Arabic text: "The Army Benevolent Fund"

Arabic text: "for soldiers, ex-soldiers and their families in distress"

Arabic text: "Dept. FT, Duke of York's HQ, London SW1 4SP"

Arabic text: "The Army Benevolent Fund"

Arabic text: "for soldiers, ex-soldiers and their families in distress"

Arabic text: "Dept. FT, Duke of York's HQ, London SW1 4SP"

Arabic text: "The Army Benevolent Fund"

Arabic text: "for soldiers, ex-soldiers and their families in distress"

## FINANCIAL TIMES REPORT

Wednesday April 25 1979

التجاري الدولي

## Dubai Trade Centre

## New landmark in Gulf commerce

DUBAI IS not only the commercial centre of the United Arab Emirates but is also the leading entrepot of the whole Gulf. Even though it is a modest oil producer itself and benefits tremendously from its oil-rich neighbours, commerce is the Emirate's lifeblood, splendidly symbolised by the bustle of dhows, ferries and freighters on the azure waters of its creek.

The Dubai Trade Centre is the logical development of Dubai's commerce. Its 38-storey tower is the tallest building in the Middle East and the whole £100m complex, opened officially by the Queen in February, is designed as a focus for commercial activity in Dubai - complete with exhibition centre, conference facilities and a permanent wholesale merchandise market.

Yet the British-designed and constructed complex is fundamentally a piece of real estate, and real estate has had a bad reputation in the United Arab Emirates recently. Ever since the collapse of the property boom which followed the 1973-74 oil price rise demand for accommodation has been fairly slack in the northern Emirates.

The events in Iran gave a momentary pick to new lettings in the area last autumn, as several companies, new to the Gulf, chose Dubai as their new Middle East base. But in the first few months of this year, there has been no significant letting in Dubai.

It would seem, therefore, to be an inauspicious time to introduce yet another luxury block of apartments and offices to the market. Yet, in the short term, the timing could be exactly right, for although several thousand apartments and office

accommodation units are under construction at the moment in the town, many of them will not come on stream for another 18 months.

And the Dubai Trade Centre is designed to fulfil a special function in the town, to house the Emirate's most prestigious companies and promote the State as the commercial centre for the Gulf area.

While in the last few years, property supply has remained short of demand, many new companies coming into the Emirate have had to make do with converted apartments in ill-maintained buildings.

The Dubai Trade Centre is, however, one of the first few purpose-built office blocks. Nevertheless, its managers - the Dubai Trade Centre Management Company, which is majority owned by Sheikh Rashid bin Saeed al Maktoum, Ruler of Dubai - face a daunting task in quickly filling its 39 storeys.

Other local developers have already extended the write-off period of their own blocks from the customary five years to ten years, and with the prospect of more units coming on to the market, this could be lengthened further.

Nevertheless, its managers aim to make the 500 ft block more than just a building. The concept of a Trade Centre complex to attract international companies was first mooted over five years ago. British architects, John R. Harris were brought in to prepare the design and the whole complex was built to international standards by Bernard Sunley and Sons of Britain.

The architects, structural engineers and the builders had to overcome a number of problems. The construction and design of the tower are unique: the floor slabs are hinged where they meet the central core, to allow for contraction and expansion differential changes.

The outside cladding incorporates precast units which provide shade and prevents direct rays of the sun hitting the windows during the summer. The report was written by KATHLEEN BISHTAWI

The floor slabs are hinged where they meet the central core, to allow for contraction and expansion differential changes.

Many times, a landlord is absent, and agents of some premises have been slow to respond to pleas from tenants requiring plumbing, electrical or other urgent problems.

"But in the case of our new centre," says manager Guy Guillemaud, "we are not absentee landlords - we're on the fourth floor. We will provide all office cleaning, security and maintenance for the block. If we don't operate to international standards it just won't work."

Rents per square foot are expensive - though in Gulf terms, not exorbitant - say local property agents. The rents vary according to the amount of space taken and also the level: for the top 20 floors are around 10 per cent more than the lower levels.

However, for a tenant taking one entire floor (that is, around 10,500 sq ft) rents start at Dh 58 (just under £7.20) per sq ft and service charges, which are uniform for a company taking a whole floor would thus work out at Dh 756,000, or around £96,000 annually.

## Higher

Rents for offices requiring only 1,000 sq ft are higher and go for Dh 70 a sq ft (just under £9). Lettings of this size, from 1,000 to 4,000 sq ft, form the majority in Dubai, and for such firms as solicitors, architects, such rates could encourage them to make do with their present accommodation, particularly with the slowdown in trading which prevails in the Emirates.

The managers of the complex say that they aim to make the Trade Centre pay its way, unlike some other similar institutions in Europe which are often subsidised by their governments.

The introduction of the block into the market has already stimulated great interest, and although only 12 floors are due to be handed over next month, a number of companies have already declared their intention of moving in. The tenants include British Petroleum, which may take two floors; Jebel Ali Port Authority; the Dubai Aluminium Company; Scimitar Oils; Fox and Gibbons, law firm; and the Oil Fields Supply Company.

Many of these organisations are involved with projects involving the Ruler, though other non-governmental clients include Rothmans, Union Carbide, the Korean Trade Centre, Kaloti Trading and the Badri Group of Companies.

The Dubai Trade Centre also hopes to attract more auxiliary business firms such as management consultants, accountancy firms, architects, merchant banks and the like.

Among developments which have seen a really encouraging start are the three blocks of luxury furnished apartments which lie alongside the tower



The Trade Centre tower block with the 368 room Hilton hotel in the foreground.

## Dubai: A luxurious Hilton to remember.

This majestic new hotel, situated near the Zabeel Palace, is actually part of the Dubai International Trade and Exhibition Centre which means it is ideally placed for the business traveller. The standards of service and quality are of the very highest. You will never forget dining at the Fahidi Grille and the wonderful choice of cosmopolitan dishes.

If however your mood is for a lighter snack you will be delighted with the very elegant Terrace Café. A swimming pool and a health club with sauna add to the pleasure of your stay at the Dubai Hilton.

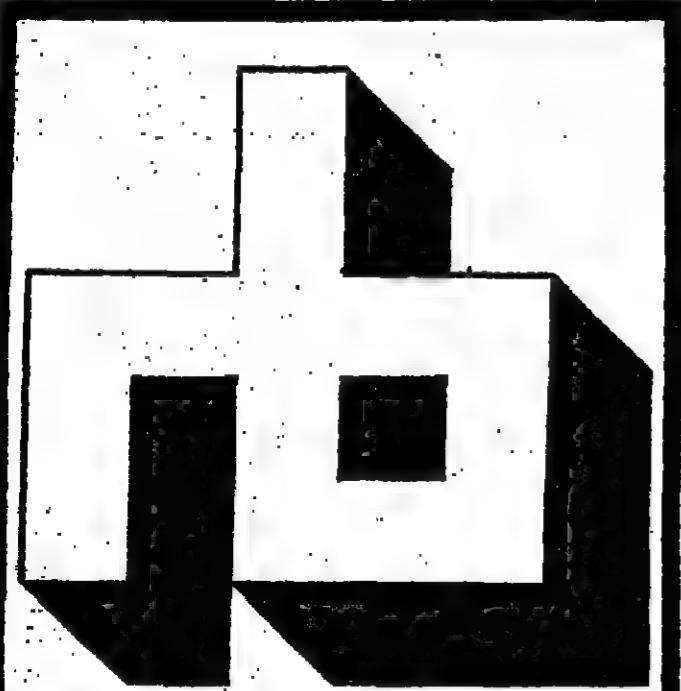
Dubai - a Hilton to remember.

For reservations, contact your travel agent, any Hilton hotel or Hilton Reservation Service office.

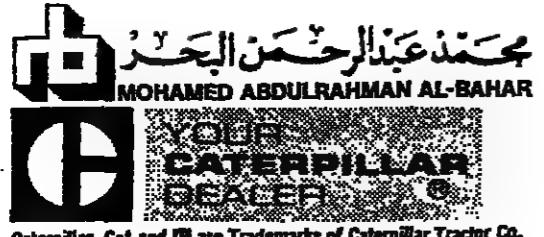
Hilton International



The report was written by KATHLEEN BISHTAWI



THIS SYMBOL IS YOUR ASSURANCE OF QUALITY & SERVICE IN THE GULF.



جذعنة الرحمن البحري  
MOHAMED ABDULRAHMAN AL-BAHAR  
CATERPILLAR  
OASIS TRADING & EQUIPMENT CO.

ABU DHABI Tel: 27230 P.O.Box: 441 Abu Dhabi, Telex: AN 2259  
AL-AN Tel: 42339 P.O.Box: 15354 Al-An, Telex: 2558 Mousa Em  
DUBAI Tel: 860235 P.O.Box: 1173 Daira Dubai, Telex: DS 5445  
QATAR Tel: 321706-7 P.O.Box: 2170 Doha, Telex: 1010255  
BAHRAIN Tel: 243468 P.O.Box: 5527 Manama Bahrain, Telex: 1010289  
SHARJAH Tel: 332271 P.O.Box: 4000 Sharjah, Telex: 58580 Bahar EM  
KUWAIT Tel: 310555 P.O.Box: 748 Safat, Kuwait, Telex: 2302  
OMAN Tel: 702865 P.O.Box: 1002 Matrah Oman, Telex: 3229 Al-Faisaliya

## The trade centre of the Arab World...



...and its trade and exhibition centre.

Dubai is the natural commercial and distribution centre of the Middle East. Through its ports comes much of the traffic serving the Gulf States and other Arab nations. Dubai has therefore always been the natural crossroads between the West and the Middle East and is now poised to become even more important. It is therefore the ideal venue for trade and technical exhibitions in the Arab world and for associated conferences. The more so, because of its cosmopolitan and international lifestyle.

Thus, a need sprung up in Dubai for the ultimate in exhibition and conference facilities - and the need has been met by the construction of the new Dubai International Trade Centre. Its exhibition hall provides the best air-conditioned display space in the Gulf with the most modern exhibition lighting systems. Every support facility is available, from show management offices to permanent refreshment areas, restaurants and special V.I.P. lounges.

In addition, there are excellent conference and office facilities in the adjacent 39-storey tower including sophisticated audio-visual aids. Delegates, exhibitors and visitors will welcome the immediate proximity of the luxurious 400 room Hilton Hotel, with its international restaurants, bars, swimming pool and sauna. And of course, the entire complex offers unrivalled commercial services (telex, photocopying, printing etc.), maintenance and 24-hour security facilities.

All in all, for those organising exhibitions or conferences in the Middle East, the Dubai International Trade Centre, being at the centre, is the only Centre.

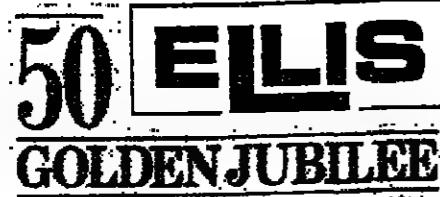
Find out the facts for yourself, contact:  
U.K. Offices: Seymour House, 17 Waterloo Place, London, SW1 Y 3AR  
Telephone 01 930 3881, Telex 888193  
Dubai Office: Trade Centre Management Company  
- Dubai PO Box 11420 Dubai, U.A.E.  
Telephone 472200, Telex 47474

TECHNICAL DETAILS:  
Lighting: 126 lumens at floor level  
Underfloor grid 570 x 13 amp  
Ceiling height 2.75 m  
Ceiling height 11 metres clear  
over 40 x 30 metres column-free area  
Floor loading 1000 kg per sq. m.  
Air-conditioning maintains 72°F  
Door size 8' x 4 metres  
DA inspection 1200 ft  
Furnished organizers' offices

مركز دبي التجاري الدولي  
dubai international trade centre



## DUBAI TRADE CENTRE II



ELLIS GULF LTD.  
DUBAI

The UAE's leading Building Services Contractor specialising in the design and installation of Air Conditioning, Heating, Ventilation, Plumbing, Drainage, Fire Protection, Electrical Installations and Planned Maintenance

DESIGNER CONTRACTORS FOR ALL  
MECHANICAL SERVICES  
IN THE  
DUBAI INTERNATIONAL TRADE  
AND  
CONFERENCE CENTRE

LONDON OFFICE: DUBAI OFFICE:  
Ellis House PO Box 22  
118-120 Garratt Lane Dubai  
London SW18 4ET United Arab Emirates  
Tel: 01-874 0411 Tel: Dubai 435713  
Telex: 928300 ELKEN G Telex: 6423 EMSINT DB

A MEMBER OF THE ELLIS GROUP OF COMPANIES  
Offices in the U.K., Qatar, Dubai, Saudi Arabia and Jordan

**PHOENIX**  
WORLDWIDE  
ELECTRICAL  
& MECHANICAL  
ENGINEERS

Installed the complete  
ELECTRICAL SERVICES  
to  
THE DUBAI INTERNATIONAL  
TRADE & EXHIBITION CENTRE

Phoenix Electrical Company Limited  
London Office: Dubai Office:  
16-18 Marshalsea Road PO Box 4456  
London SE1 1HN Dubai UAE  
Telephone 01-407 4834 Telex 6233  
Telex 887125.  
London Brighton Sheffield Dubai Barbados

A member of the RTZ Group

**Rutherford**  
Swimming Pools  
International

Filtration Systems, Design, Manufacture—  
established throughout the Middle East

Head Office:  
Battle Sussex England  
Tel. (0424) 2244 Telex 95201

# Political disagreements

THE LAST few weeks in the United Arab Emirates appear to have been the unhappiest since the creation of the federation eight years ago. The differing views of the two major states, Dubai and Abu Dhabi, about how the union should go forward, have been aired in a very public manner, with accusations and counter-accusations being exchanged in the local and Gulf Press. The culmination of the March "Battle of Memorandums" was the absence of Dubai, and its ally Ras al Khaimah, from a Supreme Council meeting. So entrenched had the positions of the two parties become, that Dubai felt the need to call for outside mediation in order to start on the path to reconciliation.

It was a sad commentary on the relationship between the two rulers of Abu Dhabi and Dubai. However, both local and federal officials emphasise that the quarrel is a dispute among brothers, and Dubai reiterates strongly that there is no question of it withdrawing from the federation. Many Western observers cynically see the recent problems as just another episode in the ancient rivalry between Dubai and Abu Dhabi, the only difference being that it is out in the open. Yet there are a number of new elements to the situation.

## Turbulent

First, the disagreements which have been so publicly aired, come just a few months after the turbulent events in Iran, since when the Gulf states have realised the need for internal and external unity against any possible winds of change which may blow from across the water. Second, the Iranian revolution has undoubtedly left its mark on many Gulf citizens, and among the privileged nationals of the UAE, there is a growing feeling that some reassessment of the ancient concept of rule by autocratic sheikhs should be considered. Many UAE nationals, including the educated élite, openly talk of the position of sheikhs becoming more decorative and honorary. Others believe that with the cloud of nervousness that prevails in the Gulf, unity, or at least a stronger concept of the federation, is an absolute necessity. What everyone realises, even the rulers themselves, is that the old rivalries cannot continue.

However, several Emirates (not just Dubai), fear that any strengthening of the federation merely gives Abu Dhabi the chance to increase its influence over them. In many ways, such a trend is unavoidable, since Abu Dhabi is the financial backer of the federal Government. All these questions came out into the open with the publication of a 10-point memorandum from the Federal National Council, the federal national assembly of the UAE. The assembly is headed by an articulate Sharjah citizen, Mr. Oman Taryam, though his memorandum was given private sanction by many Abu Dhabi officials and public support by the cabinet of ministers of the federal Government. The programme put to the Supreme Council by the Assembly called for the abolition of all internal borders, the unification of state incomes and the armed forces, the implementation of a proper immigration policy and an end to the foreign domination in the oil and economic sectors.

The process may be long, for there are a number of outstanding differences. One of the most crucial is the future shape of the armed forces in the UAE. Dubai still harbours ill-feeling over the appointment of Sheikh Zayed's son, Sheikh Sultan as its commander in chief. His appointment, Dubai feels, was made in an unconstitutional manner and gave undue weight to Abu Dhabi when the Defence Minister was Sheikh Mohammed, son of the Dubai ruler. Furthermore, any unification of an army which is composed chiefly of foreign mercenaries from 28 different countries would be irrelevant. UAE nationals only comprise 10 per cent of the army at present. A more sensible way would be to cut down the size of the armed forces from the present unnecessarily high total of 35,000 around 17,000, thus ensuring a greater representation of UAE nationals. However, the cuts advocated by Dubai would affect Abu Dhabi's forces most, for they total around 22,000, and few are willing to guess whether Abu Dhabi would be willing to prune its army.

Other points of dispute concern the financial side. Since the creation of the federation in 1971, it has been Abu Dhabi which has paid for the massive annual development budgets, much to the irritation of the

federal capital. It has looked for at least symbolic contributions from the other Emirates. Dubai on the other hand, considers that its expenditure for its own local police, health services, army and electricity constitute its contribution to the federal budget. Abu Dhabi is also insisting that Dubai give support to the Currency Board in preparation for its transformation into a Central Bank. Currency Board officials are seeking long term deposits from all Emirates and a commitment to channel oil revenues through the board in order to guarantee a reliable supply of foreign currency to protect the dirham. All these financial demands come at a difficult time for Dubai, for it is already paying over 35 per cent of its annual oil income in servicing its foreign debts.

In recent weeks, there has been speculation that there may be major cabinet changes in the offing. Dubai's deputy ruler, Sheikh Maktoum bin Rashid, currently holds the post of the Prime Minister, although his legislative powers, like the federal Government itself, have never been positively asserted. If there were changes in the cabinet, however, Dubai would naturally seek to remove those elements which it believes to be antagonistic towards the Emirate and its interests. Under such a

formula Dubai felt less threatened by the growing powers of the federal Government and may be willing to hand over its local departments to the central Government. Another possible compromise concerns the National Assembly itself, which at the moment consists of nominees of the ruling sheikhs. One suggestion that has emerged to allow the people a greater say in the governing process is that the ruling sheikhs choose 100 candidates, out of which

less than six are chosen by the 100 to represent the Emirate in the Assembly. This would be more consistent with Islamic tradition than other concepts such as direct elections. However, any such changes in the system would first have to be given the go-ahead by Saudi Arabia, which itself is being pressured to change.

The demonstrations which occurred in Ras al Khaimah by local citizens calling on their Ruler to accept more federal aid from Abu Dhabi will have

not gone unnoticed by Dubai's ruling family. While the prosperity continues in Dubai, there appears to be no prospect of similar incidents there; nevertheless, there are question marks over several of the Emirate's projects, such as the aluminium smelter, the dry dock and the port, and many young people are confused as to what these developments mean to them. Dubai's oil income is only one-quarter of that of Abu Dhabi, and therefore spreads more thinly around. However, it spreads among a people who have become used to the generosity of Abu Dhabi and its federal Government, and pressure could mount in a similar way to strengthen the links with the capital, rather than preserve the old style autonomy within the federation.

The negotiations which are going on at the moment between Dubai and Abu Dhabi will, when concluded, only reaffirm the union's strength and promote stability and confidence in the region. Once the rulers have decided on the form the new federation and its constitution will take, the UAE will no longer be characterised as the weak link in the Gulf chain as it has in the past. What is sure after the events of the last month is that the old style of disunity within unity is now over.

# Oil a springboard for development

UNLIKE OTHER Gulf states, Dubai is not a one-product economy with its people and Government solely reliant on oil for its living and development. Dubai's oil production is relatively modest, about 380,000 barrels a day, one-quarter of Abu Dhabi's, and its proved reserves only 1.4bn barrels.

Nevertheless, its oil has been a springboard for development, but the Emirate's prosperity can also be partly attributed to the growing riches of the union as a whole, and in particular Abu Dhabi, which finances the federal dock project. The costs of the dock were escalating rapidly, the Eurodollar financing ran out before the construction was completed, and at the time a number of bankers were hesitant about lending any more. The project, when first conceived, was priced at \$20m, but by the time it was finished, this had risen to \$232m. The contractors on the dock are now in their maintenance period, and the three docks lie embarrassingly empty, awaiting an operator. Negotiations are continuing with a number of companies, with the Bristol company, C. H. Bailey and Sons, appearing to have run into problems concerning agreements on which party is to pay the maintenance bill and provide original stock. Other companies in the running are apparently asking for high fees for the dock's management.

In Dubai there is no distinction between the income of the Ruler and that of the Government. (The oil agreement between Sheikh Rashid and the Dubai Petroleum Company is one of the state secrets of the Emirate.) The total income of the Ruler and the Government includes such items as rents from properties owned by Sheikh Rashid, and together with revenues from customs and Government departments, is expected this year to amount to around \$3bn. Existing outstanding Eurodollar loans and Government credits of the Dubai Government amount very approximately to \$1.5bn. Local officials say that conservative estimates put the debt service ratio at around 35 per cent of oil income, and that year repayments will be \$500m-\$600m.

The next two years are going to be tight for Dubai, they admit, but after that repayments will decline considerably provided few new loans are taken on. Bankers involved in the Ruler's Eurodollar loans point out that when repayments are compared with the Emirate's total income, and not just oil revenues, the picture looks better than is generally realised.

The concern by foreign bankers over Sheikh Rashid's indebtedness began a year ago when the Ruler was obliged to pay in cash for the final construction payments on the dry dock project. The costs of the dock were escalating rapidly, the Eurodollar financing ran out before the construction was completed, and at the time a number of bankers were hesitant about lending any more. The project, when first conceived, was priced at \$20m, but by the time it was finished, this had risen to \$232m. The contractors on the dock are now in their maintenance period, and the three docks lie embarrassingly empty, awaiting an operator. Negotiations are continuing with a number of companies, with the Bristol company, C. H. Bailey and Sons, appearing to have run into problems concerning agreements on which party is to pay the maintenance bill and provide original stock. Other companies in the running are apparently asking for high fees for the dock's management.

In view of all these questions which have arisen about the smelter project and Dubai itself, Lloyds have persuaded the local government to produce the most comprehensive information package ever published on the finances of the Emirate and the project itself. Nervousness by bankers following the upheaval in Iran, doubts about the project itself and Dubai's true debt service ratio had to be cleared up, for on the whole, the overall picture looked brighter than generally thought, say officials of the Ruler's own cash resources.

The other ruler's projects at Jebel Ali have been financed entirely by Eurodollar loans and

## Pressure

In the next year or so, which local finance officials concede may be tight for the Emirate, Dubai is also likely to face increasing pressure to contribute more than the \$150m it claims to have paid to the federal budget this year (Dubai also considers that its expenditure on local departments represent its contribution). This year's capital expenditure for the Emirate is expected to be around Dh 3bn (\$727m) with current running at \$207m. Although official

expect the outgoings on the new projects to tail off as the near completion, they also expect the current budget to rise as many of the project go into their maintenance period. Maintaining all these ambitious developments is going to be a hefty item in the budget each year. With a high debt service ratio, Dubai could find it difficult to fulfil all the federal financial commitments that may be asked in the coming year. Such a situation will require only careful management by Dubai, also standing by the capital, Abu Dhabi, also.

## Main Contractor for:

Dubai International Trade and Exhibition Centre and Hilton Hotel  
400 Bed Rashid Hospital, Dubai  
640 Bed Hamed Hospital, Doha, Qatar  
Central Medical Services Complex, Dubai  
British Bank of the Middle East, Dubai  
British Bank of the Middle East, Doha  
Bank of Credit and Commerce International Building, Abu Dhabi  
Bank of Credit and Commerce International Building, Dubai  
153 apartments for ADNOC, Abu Dhabi  
Dubai Police Headquarters  
Dubai Divisional Police Headquarters  
Dubai Police Barracks and Housing  
Doha Radio Studios  
Army HQ, Doha  
Medical Pavilion, Abu Dhabi  
East Telephone Exchange, Abu Dhabi  
Industrial Dairy Unit, Dubai

Head Office  
221/241 Beckenham Road, Beckenham, Kent BR3 4UA  
Telephone 01-659-2366 Telex 946638

# SUNLEY

THE BIG NAME IN MIDDLE EAST CONSTRUCTION

مكتب التمثيل

# Long-established trading tradition

THE OPEN door philosophy of Dubai is not merely a policy—it is the very nature of the place.

Its trading tradition goes back long before the bonus of oil ever appeared, and Dubai's experience is likely to carry it through the future when oil assets begin to decline.

Its commercial expertise has been fostered by years of trading with the neighbouring countries—particularly Iran, Pakistan and India—and remains, even to this day, one of the mainstays of the Emirate's economy. The Trade Centre is the latest manifestation of Dubai's commercial role.

At times, Dubai's open welcome to cargoes and buyers has earned the Emirate an unpopular reputation around the Gulf, for in the past Dubai has traded in anything from arms to gold, in varying shades of grey.

The wooden dhows are still plying their trade, but the cargoes have changed, now varying from rice to Japanese motorbikes. The merchants of the dhow trade are Dubai's secret millionaires—"You never hear their names, they don't go to the Ruler's parties, but they are millionaires, still the same," says an official.

Recent events in Iran have cast a cloud of uncertainty over its merchant community, for the first symptoms of the revolution was that the Iranians have stopped all dhows coming to Dubai. But most feel the gloom to be short-lived, for, as one pointedly said: "When there is chaos, they come to us."

## The merchant community

DUBAI'S MERCHANT community, whose prosperity and ambitions are celebrated in the Trade Centre, is one of the pillars of the Emirate's strength and influence in the UAE. Encouraged by its commercially minded ruler, Sheikh Rashid, the Emirate and its merchants have dominated all commerce in the country since the federation's creation in 1971. The Dubayans have always been traders, in pearls, gold—or anything the neighbouring countries wanted to buy. When the oil boom began in the early 1970s, they were ready for the frenzy which hit the new state.

Within the Emirate, they are a powerful class in the population. It is more likely to be merchants than ordinary petitioners that surround the Ruler each day in the majlis, often coaxing him on to ever larger projects. And while the oil money is there to smooth away potential troubles, the merchant community still appears as strong as ever, and as much a part of Dubai as the Ruler himself. Every yearning youngster appears to have an ambition to become one of the merchant class, whose names have become household names in the UAE. Almost anything consumers buy in Dubai, be it a tin of baked beans or a hi-fi set, is likely to be imported by one of the big trading groups owned by the five major families in the Emirate.

### Resented

Dubai's dominance in the commercial sector has not always been liked or accepted and in recent years as the fledgling merchant class in Abu Dhabi tries to get off the ground, much resented. Yet in the opinion of many, the Dubai merchants are years ahead in sophistication compared with their counterparts in the federal capital. The Al Futtaim and the Galadari group, for example, pay their staff wages by computer. In Abu Dhabi, it is not an uncommon sight to see a merchant peeling off the odd thousand dirham note out of his own pocket to pay his staff.

At times, the resentment felt by the Abu Dhabi merchants assumes petty forms. A foreign construction company with a Dubai associate recently lost a contract in Abu Dhabi because it did not have a "local" partner, i.e. an Abu Dhabi. This was despite the fact that the joint venture was a locally registered UAE company. More recently, the Abu Dhabi authorities have forbidden any lorry over three tons to use the new short cut road from Dubai to Al Ain. The inland town of Al Ain was beginning to use Dubai as its shopping centre rather than the capital, a trend which the Abu Dhabi merchants wanted to nip in the bud. There are also reports that Abu Dhabi officials have been stopping all lorries carrying foodstuffs from Dubai to the capital, saying that their cargoes did not meet the Emirate's food labelling laws.

Mr. Seif Al Ghurair, president of both the Dubai and UAE chambers of commerce, looks indulgently on such actions by his Abu Dhabi colleagues. Dubai is being pressured to introduce trading laws which will ensure majority ownership by nationals in local companies and trading agencies, a move which would be contrary to the Emirate's tradition of liberalism and open-door philosophy to foreign business. "When they took into

the 1976 totals, Dubai's imports during this period rose from Dh 9.4bn in 1976 to Dh 12.6bn in 1977, to a total last year of Dh 12.7bn.

In the UAE as a whole, imports are showing a greater growth rate than oil revenues, for between 1971 to 1977, oil exports increased 94 times, whereas imports in the UAE went up 104 times.

In the latter days of last year, and the first few months of 1979, trading conditions in Dubai appear to have been improving considerably. December, 1978, recorded a monthly total of Dh 1.4bn, and January and February they were around Dh 1.3bn, which if extrapolated for the year, would give an import level for Dubai of Dh 15bn—nearly two and a half times its oil income.

### Major

Japan is still scooping up the major share of this market, accounting for Dh 2.6bn, or 20.5 per cent of the total. Britain's market share in Dubai was worth Dh 2.38bn, 18.8 per cent; this was followed by the United States with 11 per cent of the market.

West Germany came fourth with 7.8 per cent market share. Hong Kong was the fastest-growing importer, jumping from 13th position to ninth in the league tables within a year.

The stability of last year's imports was undoubtedly aided by the construction projects underway at Jebel Ali, where Dubai is planning an industrial city.

As a number of projects are completed in the town—such as

the Dry Dock and Trade Centre—so the centre of activity has shifted. At Jebel Ali, Sheikh Rashid is engaged on his largest project to date, and already the infrastructure for the new city is absorbing some 60 per cent of his annual expenditure.

One of the Ruler's major projects at Jebel Ali is the 66-berth port under construction by the Mina Jebel Ali Construction joint venture. Already some Dh 4bn work has been completed and a further Dh 2.5bn remains to be done, although the project was originally thought to cost \$1bn (under Dh 4bn).

The port was first conceived by the Ruler during the boom years of 1976, following congestion at the existing Port Rashid, when nearly 200 ships were awaiting entry. The general downturn in trading in the Gulf now make the scheme appear over ambitious in some and already the immediate plans for the port appeared to have minimised the port.

The task of operating the port has been handed over to a specially-formed wholly-owned subsidiary of the American container line, Sealand. The Jebel Ali Port Authority—as it is called—expects to take over the first 10 berths of the port in mid-May this year, eight of which will be operated. The design of the berths includes three container and ro-ro berths, plus five general cargo berths. The remaining two berths will be used by the aluminium smelter and by Dugas, the operators of the gas processing plant in Jebel Ali.

As a number of projects are completed in the town—such as

the UAE. Sharjah's town port has just suffered the loss of its major customer, Mediterranean Line, which collapsed owing to declining freight rates and cargoes from Europe. Khor Fakkan on the Gulf of Oman coast of the UAE opened a short time ago also, and though it has yet to sign-up customers, it will naturally be promoting itself to the same clients.

Port Rashid's own fully-equipped container terminal will also come into operation in August, this year. The new facilities which will cover from berths 31 to 35, will replace the temporary facilities at berths 9 and 10 which have been successfully used for the port's container traffic, until now.

When complete, the new terminal will be the largest in the Middle East—larger than those at Jebel Ali.

Port Rashid has already proved itself the number one port in the area, and last year handled around 145,000 containers—and now boasts some 25 regular container line customers.

In total, Port Rashid has some 39 general cargo berths and over 40 shipping lines, as regular callers. Officials do not appear to be too concerned about the new port developments springing up in the area. Khor Fakkan, which is thought by many to present the greatest challenge, is only six hours' steaming time from Dubai, where the real market is located.

"Besides, if you're travelling from London to Glasgow, why get off at Crewe?" commented one official.

It is here that Dubai's vital experience in trading—and the financing of it—would seem to

play a great role, for shipping lines will naturally favour an established large market, rather than discharging cargoes at a remote port and then relying on road transport services.

The realisation that the original complement of 66 berths, for Jebel Ali may be excessive appears to be gaining ground in official circles. Nevertheless, if the boom begins once again (as it did so after the last hefty oil price increase), the port facilities would be ready and waiting. Western analysts have been wrong before in the case of Sheikh Rashid's port development plans—and they could conceivably be wrong again. After all, the joint effort between the two ports to maintain Dubai's position as the entrepot centre to the Gulf, would seem to be an urgent necessity.

When it comes to carpets, one company in New Zealand sets the standard for the world.

Feltex.



A 3-colour Felix Wilton.



A 100% wool Felix Axminster.

The construction of the luxurious Dubai Hilton and the DITEC apartments was very much an international affair. The interior designers, Graham-Solano of Massachusetts, searched worldwide for companies to fulfil the tough design specifications.

When it came to the carpets, the woolen product woven by Feltex New Zealand was the clear choice as it has been so many times in other contracts throughout the world.

Contracts like the Imperial, Mandarin, Hong Kong and Sheraton Hotels in Hong Kong; the Fairmont Hotel, Denver; the Sheraton Hotel in Alaska; 8 Hilton hotels throughout the world; the Sultans Palace in Malaysia; the 'Ocean Monarch' passenger liner, and many others.

**Feltex**

Feltex. Carpetmakers to the world. FELTEX NEW ZEALAND LIMITED Furnishing Group Export Department, P.O. Box 2284, Auckland, New Zealand. Telex: NZ 21749. Telephone: 796-045. Cables: Feltex.

# Keeping abreast of the constant growth and development of the U.A.E.

We have substantially contributed to the furnishing of the Dubai International Trade and Exhibition Complex

**Coastal**  
TRADING & CONTRACTING CO.

Dubai, U.A.E., P.O. Box 2323, Tel. 660648 660848 Telex 45656 COTCO EM

Coastal keeps you in touch!

PUBLICO U.A.E.



## COMMODITIES and AGRICULTURE

## Lead shortfall and small zinc surplus forecast

BY JOHN EDWARDS, COMMODITIES EDITOR

A SMALL shortfall in world supplies of lead, and a marginal surplus of zinc this year, was predicted yesterday by the International Lead and Zinc Study Group meeting in London.

In both cases the Study Group, a inter-governmental organisation representing producing and consuming countries, has changed its mind since last assessing the markets in November.

Then the Study Group forecast that there would be a surplus of lead in 1979, and suggested there would be a much bigger surplus of zinc than is now being predicted.

Lead consumption in the non-Communist world is expected to rise only slightly to 3.74m tonnes this year, while production should increase by 4.7 per cent to 3.86m tonnes, including greater scrap supplies.

However after taking into account higher exports to

Communist bloc countries, it is estimated there will be a small deficit of supply. It was noted that stocks held by producers, and the London Metal Exchange warehouses, are still at low levels.

Consumption of zinc could rise by a further 4 per cent this year to 4.7m tonnes, still below the record 1978 level, according to the Study Group estimates.

While zinc metal production is expected to jump by 11 per cent to 4.75m tonnes, a much smaller rise in zinc output should result in a reduction of concentrate stocks.

For both lead and zinc consumption is continuing to rise more rapidly in developing countries compared with industrialised areas, who still account for the bulk of sales.

Lead and zinc values were higher on the London Metal Exchange following upturn in

copper. Cash lead gained £9.5 to £33.5 a tonne, encouraged by reports of Soviet Union representatives visiting Britain showing renewed buying interest.

The rally in copper prices followed an upward trend in New York overnight, and a general feeling the market was somewhat oversold. Cash wire-bars closed £15.75 up at £1,000.5 a tonne.

Nickel and aluminium also moved higher. In its second day of trading turnover on the new nickel futures contract fell back to 220 tonnes, while the three month quotation gained £30 to £2,787.5 a tonne as previous selling pressure disappeared.

In contrast to the other metals, tin prices fell ground. Cash tin was hit by fresh offerings in the morning which drove the price down to £7,320 at one stage before rallying to close at £7,385 a tonne, £35 lower.

## U.S. bans poultry from U.K.

By Our Commodities Staff

THE U.S. Department of Agriculture (USDA) has banned imports of English poultry and hatching eggs indefinitely because of the recent outbreak of fowl plague on two East Anglian turkey farms.

The ban will remain in force until the disease is eradicated from England, the USDA said.

The U.S. has kept itself free of fowl plague, which attacks chickens, turkeys, guinea fowl and pheasant fowl, since 1929 through a strict policy of import control.

Live chick exports from England are already banned in the U.S. because of Newcastle disease, while the two countries is "modest" hatching eggs trade between British Poultry Federation spokesman said yesterday.

But he was concerned that the ban might delay the re-opening of the live chick trade. Britain has been free of Newcastle disease for nearly a year and in the absence of any new outbreaks the ban would have been lifted in the near future.

In America, however, Newcastle disease and fowl plague are lumped together as "fowl pest" and this could mean that British chicks will be kept out of America for a further 12 months or more.

Fowl plague reappeared in Britain after an absence of 15 years when an outbreak was reported at North Repps, Norfolk, three weeks ago. A second outbreak on a neighbouring farm was confirmed last week. All the birds on the farms have been slaughtered.

In the morning the London daily raw sugar price was fixed unchanged at £94 a tonne.

At yesterday's EEC Commission tender in Brussels 44,000 tonnes of white sugar were authorised for export.

This was 3,000 tonnes more

than last week but is still well below the 50,000 tonnes plus levels recorded earlier. No raw sugar exports were authorised.

The area sown to sugar beet in France is likely to drop 3 per cent this year from the 525,000 hectares sown last year, a Beet Planters Association spokesman said, reports Reuter from Paris.

## COMMODITY AGREEMENTS

## Iron ore price struggle

By BRIJ KHINDARIA IN GENEVA

THE ASSOCIATION of Iron Ore Exporting Countries (known by its French initials as APEF) is under growing pressure to consider ways of improving the price of iron-ore despite opposition from some of its members.

At a Ministerial meeting here earlier this month developing country members of APEF pressed strongly for a first step towards such measures, but ran into stubborn opposition from its industrialised country members — Australia and Sweden.

The nine-member association, which was established only four years ago, is at a cross-roads because of the dispute over how to handle the industry's problems of falling prices and profits.

Its developing country members are: Algeria, India, Liberia, Mauritania, Peru, Sierra Leone and Venezuela. APEF members accounted for 56 per cent of world iron-ore exports in 1976, excluding East Europe, China and North Korea.

Because mining ore involves very heavy long-term investments, it is usually sold under long-term contracts, and the investments are financed with the help of consumers. The prices paid for the ore are kept secret making the development of a coherent world price structure difficult, although it is a major internationally traded raw material, with an import value in 1977 of about \$7bn.

Figures collected by the UN Conference on Trade and Development (UNCTAD) show that the real price of iron ore has been on a downward trend for more than two decades, falling from \$9.87 per tonne in

1955 to \$8.16 in 1976. The dollar's recent depreciation has made matters worse because all export prices of iron ore are calculated in dollars.

Demand for iron ore depends almost exclusively on the state of steel industries in developed countries. But these industries have been with massive increases in labour, energy and capital costs, have put tight hold-downs as monopoly buyers on the price they pay for iron ore.

The cost of producing iron ore has, however, increased considerably for the same reasons as that of steel — yet the rise in earnings has failed to keep up with that of costs, leading to a tight squeeze on profits, particularly in developing country mines.

Mr. R. K. Sanyal, secretary general of APEF, says that in many developing countries iron ore revenues do not cover costs but governments subsidise exports for the sake of earning foreign exchange. Mauritania, for example, earns 77 per cent of its foreign exchange from iron ore exports, while Liberia earns about 70 per cent.

"Iron ore mining today is an act of faith rather than an economically viable enterprise," he told a recent symposium on iron ore.

The developed and developing country members of APEF have run into problems because of a difference in approach to implementation of the pledge, stated in APEF's founding agreement to help members to "secure fair and remunerative returns from the exploitation, processing and marketing of iron ore."

Developed country members have so far refused to discuss the prices issue in any form. In their view the Association should be no more than a forum for exchange of ideas and a research unit conducting studies concerning the state of the industry in member countries.

These members fear a backlash from consumers. They also say that they cannot interfere with the iron ore miners and traders on their territories because these are private enterprises.

In contrast, nearly half the mines in developing countries are controlled by governments. A further difficulty is that the prices laid down in long term contracts cannot be tampered with by governments.

The only regular forum in which iron ore producers and consumers have sat together for

discussions so far is a committee of Unctad which is currently studying the feasibility of an international commodity arrangement for iron ore as part of Unctad's integrated programme of commodities.

Negotiations in this committee are still at a very early stage and developing producers have begun to feel that they must develop a common policy to provide impetus in the committee for measures to improve prices.

Several developing countries are keen that some kind of link should be developed between iron ore and steel prices mainly because of the special relationship between iron and steel — iron cannot be made without steel and steel is in making of iron ore.

The Unctad committee has, however, so far steered clear of trying to make any such link because of pressure from the steel industry, which feels that it would run into further serious troubles if the price of iron ore were to rise automatically with every increase in the price of steel.

A study of steel industry performance by the Organisation for Economic Co-operation and Development indicates that while the cost of inputs such as labour and energy are forecast to rise, the supply of iron ore to the industry is forecast to grow without any significant increase in price in coming years.

This reflects the steel industry's confidence that it can hold iron ore prices in check.

## Argentina losing wine sales

By Our Buenos Aires Correspondent

SELLING PRICES charged by Argentine wine producers "are four times the prices of their European counterparts," according to David Stevens of Matthew Clark and Sons, UK wine importers, on a visit here.

Speaking on his departure to Chile, where he now intends to buy wine, Mr. Stevens said his company has been importing about 4.5m bottles of Argentine wine into Britain annually for the last ten years. But he commented: "I fear Argentina has lost not only the British wine market but that of all Europe."

He noted that by March last year Argentina had sold 28m litres of wine to the Soviet Union, but since then had not managed to place a single litre there.

Mr. Stevens said he was surprised to find the majority of growers blamed the high prices on their Government's rate of foreign exchange, saving the peso had not been devalued enough.

But he added the exporters blamed the wine growers "who held back their product in the hope of seeing prices rise."

## U.S. studies sugar contingency plans

By RICHARD MOONEY

THE U.S. Agriculture Department is preparing an analysis of the world and domestic sugar markets, partly as a contingency plan in case administrative action becomes necessary, USDA officials said in Washington yesterday.

The Administration may need to act if no progress is made on the proposed domestic sugar legislation soon. On Monday representatives from various U.S. sugar producing groups failed to agree on the legislation.

The major unresolved issues are the labour provisions and whether direct payments to producers should be used.

The group had earlier decided to support a domestic sugar price objective of 15.8 cents lb in 1979 compared with 15 cents in 1978. For future years it would support a formula proposed by Mr. Thomas Foley, chairman of the House Agriculture Committee, and Congressman Al Ullman which would raise the price objective in line with rises in production costs but with a 7 per cent ceiling.

In London sugar traders remained pessimistic on the prospects for an early U.S. ratification of the international sugar pact, which has been held up by the failure to agree on a domestic policy.

The Administration may need to act if no progress is made on the proposed domestic sugar legislation soon. On Monday representatives from various U.S. sugar producing groups failed to agree on the legislation.

The major unresolved issues are the labour provisions and whether direct payments to producers should be used.

The group had earlier decided to support a domestic sugar price objective of 15.8 cents lb in 1979 compared with 15 cents in 1978. For future years it would support a formula proposed by Mr. Thomas Foley, chairman of the House Agriculture Committee, and Congressman Al Ullman which would raise the price objective in line with rises in production costs but with a 7 per cent ceiling.

## Natural rubber supply deficit

By Our Commodities Staff

NATURAL RUBBER production last year rose to 3,675,000 tonnes, but was still 50,000 tonnes below demand according to estimates by the International Rubber Study Group.

Meanwhile, London futures market prices for sugar eased further in quiet conditions. The August position ended the day £1.2 lower at £101.025 a tonne after slipping to £100.45 a tonne at one time.

In the morning the London daily raw sugar price was fixed unchanged at £94 a tonne.

At yesterday's EEC Commission tender in Brussels 44,000 tonnes of white sugar were authorised for export.

This was 3,000 tonnes more than last week but is still well below the 50,000 tonnes plus levels recorded earlier. No raw sugar exports were authorised.

The area sown to sugar beet in France is likely to drop 3 per cent this year from the 525,000 hectares sown last year, a Beet Planters Association spokesman said, reports Reuter from Paris.

## Sisal target price raised

By FINANCIAL TIMES REPORTER

ROME — Leading exporting and importing countries have agreed to higher indicative prices for sisal and henequen, tropically grown hard fibres used chiefly for harvest twine.

A price range for 1979 of \$925 to \$955 per tonne for the chief East African sisal grade, cif Europe, was adopted by the intergovernmental group on hard fibres of the UN Food and Agriculture Organisation here yesterday.

But synthetic rubber output at 8,700,000 tonnes exceeded consumption, also by 50,000 tonnes.

Total natural rubber stocks at the end of 1978 were estimated to be 1,450,000 tonnes and synthetic stocks at 1,875,000 tonnes.

Indicative prices are set by

the FAO group, which includes major growers and users of the fibres, in order to suggest a desirable range that is low enough to be competitive, with synthetic fibres and high enough to encourage efficient farmers.

Brazil and Tanzania are the leading sisal-producing countries, while Mexico is the primary source of henequen.

The higher price range for 1979 was requested by producing countries to meet higher production and freight costs and to offset inflation.

At its meeting last week, the fibres group also agreed to suspend indicative prices for

abaca, a hard fibre exported primarily from the Philippines for use in rope and papers. Although market prices are at present well above the maximum of the current indicative price range, the abaca-importing countries asked that the FAO group wait for some time to see whether prices would subside from their present high levels.

If they remain outside the range, consultations are to be convened between the Philipines and major importing countries to reconsider a request from producers to raise the indicative price range in a few months' time.

## Israeli farm exports increase

By L. DANIEL in Tel Aviv

ISRAEL'S AGRICULTURAL exports increased considerably during the past winter/spring season.

Shipments abroad of fresh vegetables had reached 53,477 tonnes by the end of last week, compared with 44,132 tonnes in the corresponding period of 1977/78.

Exports of fruit (other than citrus) increased by 4,000 tonnes to 20,000 tonnes and brought in \$38m as against \$18m a year earlier. Flower exports came to \$543m units (333m)

## BRITISH COMMODITY MARKETS

COPPER — Gained ground on the London Metal Exchange. Forward metal spot price rose to £77.005, up 7p. Futures market closed at £77.005, up 7p. Total turnover £1,090,000, up 1,000.

Amalgamated Metal Trading reported that in the morning cash wire-bars traded at £984.5, three months £1,005.00, four months £1,025.00, six months £1,045.00, eight months £1,065.00, 10 months £1,085.00, 12 months £1,105.00, 14 months £1,125.00, 16 months £1,145.00, 18 months £1,165.00, 20 months £1,185.00, 22 months £1,205.00, 24 months £1,225.00, 26 months £1,245.00, 28 months £1,265.00, 30 months £1,285.00, 32 months £1,305.00, 34 months £1,325.00, 36 months £1,345.00, 38 months £1,365.00, 40 months £1,385.00, 42 months £1,405.00, 44 months £1,425.00, 46 months £1,445.00, 48 months £1,465.00, 50 months £1,485.00, 52 months £1,505.00, 54 months £1,525.00, 56 months £1,545.00, 58 months £1,565.00, 60 months £1,585.00, 62 months £1,605.00, 64 months £1,625.00, 66 months £1,645.00, 68 months £1,665.00, 70 months £1,685.00, 72 months £1,705.00, 74 months £1,725.00, 76 months £1,745.00, 78 months £1,765.00, 80 months £1,785.00, 82 months £1,805.00, 84 months £1,825.00, 86 months £1,845.00, 88 months £1,865.00, 90 months £1,885.00, 92 months £1,905.00, 94 months £1,925.00, 96 months £1,945.00, 98 months £1,965.00, 100 months £1,985.00, 102 months £2,005.00, 104 months £2,025.00, 106 months £2,045.00, 108 months £2,065.00, 110 months £2,085.00, 112 months £2,105.00, 114 months £2,125.00, 116 months £2,145.00, 118 months £2,165.00, 120 months £2,185.00, 122 months £2,205.00, 124 months £2,225.00, 126 months £2,245.00, 128 months £2,265.00, 130 months £2,285.00, 132 months £2,305.00, 134 months £2,325.00, 136 months £2,345.00, 138 months £2,365.00, 140 months £2,385.00, 142 months £2,405.00, 144 months £2,425.00

## LONDON STOCK EXCHANGE

## Reappearance of institutional buyers catches market off guard and 30-share index bounds 11.0 to 547.0

## Account Dealing Dates

Opinion  
\*First Declara- Last Account  
Dealing dates Dealings Day  
Apr. 9 Apr. 19 Apr. 20 May 7  
Apr. 23 May 3 May 4 May 15  
May 8 May 17 May 18 May 30  
\*New share dealings may be placed from 9.30 a.m. two business days earlier.

The recent view that institutional and other investors had taken their pre-election positions and were now awaiting polling day was disproved yesterday in stock markets. Soon after the opening, the appearance of two large fund buyers took the market by surprise and leading shares responded swiftly to leave the FT 30-share index 11 points up at 547.0, only 2.2 short of its best-ever closing level recorded in September, 1957.

The revival of buying was accompanied by fresh hopes of a Tory victory in the May 3 election and, although most of the genuine Conservatives gained a sizeable majority in next week's election

business was completed by mid-day, prices of the leaders continued to edge a little higher during the afternoon with the result that most quotations settled at the day's highest. Companies with dividend potential were well to the fore in the advance with double-figure gains being recorded in Unilever, Shell and John Brown. Further interest was shown in Vickers, up 3 more at 210p, awaiting today's preliminary results.

Properties and Breweries were outstanding in the general improvement, while company trading announcements again generated a fair amount of interest and contributed to a modest increase in activity. This was measured by official bargains of 5,632 which compared with 5,043 on Monday.

Renewed enthusiasm about the Conservatives gaining a sizeable majority in next week's election

caught the market in Gilt-edged securities also off guard. Sellers withdrew rather quickly and a relatively light demand produced rises extending to 1p, the movement in the recently issued £15-p Escherich 11 per cent 1991, at 141p, and in the longer-dated, Escherich 12 per cent 1999 (F40-p), at 246p.

Other mediums and longs were generally 1 higher, while the shorts shrugged off Monday's indecision to close similarly dearer with the exception of Treasury 12 per cent A 1983, which rose 1 to 103p. In all sections of the market business was described as thin. Corporations were neglected but Southern Rhodesian bonds made fresh headway, still influenced by the satisfactory conclusion of the Rhodesian internal settlement election and the 6 per cent 1978-81 issue gained 4 points to 598.

Conditions became more active as rates for investment currency improved further with some particularly good two-way trade taking place between 56 and 57 per cent.

The premium finally settled at the latter level for a rise of 13 on balance. Yesterday's SE conversion factor was 0.6009 (0.5098).

The revised demand for generally 1 higher, while the options where 2,258 deals were reported, almost double the previous day's total. Boots, with 270 contracts, and Marks and Spencer, 267, attracted good interest.

The major clearing banks contributed to the general firm trend. Barclays led the advance, closing 12 up at 455p, while Lloyds, 322p, Midland, 432p and NatWest, 372p, all appreciated 3. Merchant Banks came in for a fair amount of support, particularly Hill Samuel which gained 5 to 112p, after 114p; the Warriner jumped 60 to 270p. Investment buying lifted Mercury Securities 7 more to 170p, after 172p, and Schroders advanced 2 to 455p, the latter in a thin market. Among irregulars, Hire Purchases, UDT softened a penny to 53p in reaction to a comment. Press commercial

insured made good progress but failed to hold the day's best levels. GEC improved 4 to 274p, after 269p, and General Accident added a like amount to 262p, after 268p. Still reflecting disappointment with the results, London United Investments gave up 5 more at 167p. But renewed demand in a thin market lifted Bamford Life 15 to 630p.

Brewery and kindred issues moved up over a broad front.

Good institutional demand helped the leaders to attain useful rises. Whitbread adding 4 at 143p, Bass, 6 at 233p, and Allied, a couple of pence at 99p. Secondary breweries were also strong.

Davenports advanced 7 to 117p and Belhaven improving 2 to 57p. Quiet at the outset, Building encountered a flurry of mid-morning interest and subsequently closed with useful improvements. EBP moved up 12 to 324p, albeit in a relatively small business, but Tarmac, 4 higher at 196p, and London Brick, 2 dearer at 73p, attracted a fair trade. Second thoughts about the annual figures and the results of the Price Commission's investigation into the company left Rugby Portland Cement 3 firmer at 77p. Among Constructions, Taylor Woodrow advanced 10 to 423p and SGB added 7 to 267p. Buyers came in for Marley, which improved 3 to 79p, while Manders put on 6 more to 163p for a two-day rise of 10p. Despite the chairman's interim profits warning, Istock Johnsons firm 5 to 207p and, still drawing strength from an investment recommendation, Royco appreciated 3 to 65p.

Knott Mill higher

Figures produced by the Central Statistical Office showing that the volume of consumer spending is picking up after the last quarter slow-down of 1973 encouraged St. W. H. Smith

A rose 8 to 184p and British Home improved 7 to 247p, while Marks and Spencer hardened 2 to 129p, after 130p, and UDS gained 3 to 120p. Suspended last Thursday at 27p following news of a bid approach from Kitchen Queen, Knott Mill resumed trading at 52p yesterday following publication of the group's dividend potential helped Unilever rise 20 to 640p, while Beecham were helped by Press comment and closed 15 is the good at 717p. Glaxo added 10 to 520p and Boots ended 7 dearer at 238p. Elsewhere, Silentnight gained 7 to 128p in response to the higher annual profits and proposed 50 per cent scrip-issue, while Fosse Minsep rose 8 to 175p following good preliminary figures. United Carriers also responded to favourable trading news with a gain of 9 to 112p and still reflecting the annual report. Hepworth Ceramic appreciated 8 to 118. Despite the profits standstill, Bedcote International hardened 3 to 97p, while speculative buying in a restricted market lifted Barnes Anderson 61 to 40p, after 41p, after 28p, and General Accident added a like amount to 262p, after 268p. Still reflecting disappointment with the results, London United Investments gave up 5 more at 167p. But renewed demand in a thin market lifted Bamford Life 15 to 630p.

Brewery and kindred issues moved up over a broad front. Good institutional demand helped the leaders to attain useful rises. Whitbread adding 4 at 143p, Bass, 6 at 233p, and Allied, a couple of pence at 99p. Secondary breweries were also strong.

recorded in Vosper, 226p, Wagon Industrial, 163p, and Baker Perkins 157p. News that Racal had increased its stake in the company to just over 10 per cent prompted a rise of 10 to 350p in Adwest.

Following the reorganisation, dealings resumed in Bank Bridge, which opened at around 423p and pushed ahead steadily to close at the day's best of 56p.

Supermarkets came in for a fair amount of support with Tesco outstanding at 784p, up 4, on a revival of vague bid rumours. J. Sainsbury put on 8 at 335p and Associated Dairies added 3 at 293p. Elsewhere, fresh demand lifted British Sugar 7 to 167p and Cadbury Schweppes 21 to 63p, the latter being helped by the optimistic annual report. Rowntree Mackintosh improved 13 to 435p and Northern Foods 4 to 128p, while the satisfactory annual results prompted a gain of 6 to 114p in Danish Bacon A. Up 13 on Monday on Press comment, Barker and Dobson attracted another useful turnover and improved 2 to 19p.

In Hotels and Caterers, Trust Houses Forte picked up 5 to 185p and revived speculative demand lifted De Vere 11 to 258p.

An early morning bout of institutional buying surprised jobbers and left the miscellaneous industrial leaders with double-figure gains in places. Consideration of the group's dividend potential helped Unilever rise 20 to 640p, while Beecham were helped by Press comment and closed 15 is the good at 717p. Glaxo added 10 to 520p and Boots ended 7 dearer at 238p. Elsewhere, Silentnight gained 7 to 128p in response to the higher annual profits and proposed 50 per cent scrip-issue, while Fosse Minsep rose 8 to 175p following good preliminary figures. United Carriers also responded to favourable trading news with a gain of 9 to 112p and still reflecting the annual report. Hepworth Ceramic appreciated 8 to 118. Despite the profits standstill, Bedcote International hardened 3 to 97p, while speculative buying in a restricted market lifted Barnes Anderson 61 to 40p, after 41p, after 28p, and General Accident added a like amount to 262p, after 268p. Still reflecting disappointment with the results, London United Investments gave up 5 more at 167p. But renewed demand in a thin market lifted Bamford Life 15 to 630p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were

against. Press comment, to 145p. GEC improved 4 to 274p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were

against. Press comment, to 145p. GEC improved 4 to 274p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were

against. Press comment, to 145p. GEC improved 4 to 274p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were

against. Press comment, to 145p. GEC improved 4 to 274p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were

against. Press comment, to 145p. GEC improved 4 to 274p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were

against. Press comment, to 145p. GEC improved 4 to 274p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were

against. Press comment, to 145p. GEC improved 4 to 274p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were

against. Press comment, to 145p. GEC improved 4 to 274p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were

against. Press comment, to 145p. GEC improved 4 to 274p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were

against. Press comment, to 145p. GEC improved 4 to 274p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were

against. Press comment, to 145p. GEC improved 4 to 274p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were

against. Press comment, to 145p. GEC improved 4 to 274p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were

against. Press comment, to 145p. GEC improved 4 to 274p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were

against. Press comment, to 145p. GEC improved 4 to 274p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were

against. Press comment, to 145p. GEC improved 4 to 274p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were

against. Press comment, to 145p. GEC improved 4 to 274p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were

against. Press comment, to 145p. GEC improved 4 to 274p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were

against. Press comment, to 145p. GEC improved 4 to 274p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were

against. Press comment, to 145p. GEC improved 4 to 274p.

Leading Engineers were quick to respond to investment demand. John Brown stood out with a gain of 17 to 372p and GKN were also noteworthy for rise of 12 to 237p. Fresh support awaiting today's annual results lifted Vickers 9 further to 210p. Northern Engineering continued to benefit from Press mention and improved 5 to 138p, while buying in a thin market left A. Cohen 20 higher at 252p. English Cardiac met further demand at 180p, up 6, and rises of 6 were



## CHRISTIE &amp; CO.

32 Baker Street London W1

Telephone 01-486 4231

Ten regional offices  
Specialists in the sale of privately  
owned businesses and companies

VALUERS - LICENSED DEALERS

## FT SHARE INFORMATION SERVICE

## BONDS &amp; RAILS - Cont.

## BANKS &amp; HP - Continued

## CHEMICALS, PLASTICS - Cont.

## ENGINEERING - Continued

## FOOD, GROCERIES - Cont.

## BRITISH FUNDS

"Shorts" (Lives up to Five Years)

High Low Stock Price + or - Net Div. % Rel. Yield

757 Treasury 3pc 7/9/74 975 3.08 9.80

Electric 4pc 7/24/79 975 9.75 9.41

British 3pc 7/24/79 1000 10.00 9.41

3pc 7/24/79 975 9.50 9.52

Treasury 3pc 1980/81 995 9.00 10.00

Treasury 3pc 1980/81 995 9.00 10.00

Treasury 3pc 7/7/81 975 9.75 9.75

Treasury 3pc 1980/81 1025 10.25 10.75

Treasury 11pc 1981/82 1015 10.15 10.75

Treasury 3pc 1981/82 975 9.75 9.75

## INDUSTRIALS—Continued

## INSURANCE—Continued

## PROPERTY—Continued

## INVESTMENT TRUSTS—Cont.

## FINANCE, LAND—Continued

International Financier

# DAIWA SECURITIES

## MINES—Continued

## AUSTRALIAN

| 1979 | High | Low | Stock            | Price | +   | %  | No.  | Ex.  | Div. | Yld. | 1978 | High    | Low | Stock         | Price | +   | %   | No.  | Ex.  | Div. | Yld. | 1978 | High | Low | Stock     | Price | +  | %   | No.  | Ex.  | Div. | Yld. | 1978 |     |     |           |     |     |     |     |     |     |     |    |
|------|------|-----|------------------|-------|-----|----|------|------|------|------|------|---------|-----|---------------|-------|-----|-----|------|------|------|------|------|------|-----|-----------|-------|----|-----|------|------|------|------|------|-----|-----|-----------|-----|-----|-----|-----|-----|-----|-----|----|
| 196  | 120  | 115 | Davidson Sp.     | 175   | -12 | -7 | 1,42 | 1,42 | 1,42 | 17.7 | 246  | 188     | 188 | Gen. Accident | 262   | -4  | -9  | 1,04 | 1,04 | 1,04 | 0.44 | 246  | 125  | 125 | Gen. Acc. | 906   | -2 | -10 | 1,02 | 1,02 | 1,02 | 0.44 | 212  | 125 | 125 | Gen. Acc. | 125 | 0.3 | 0.2 | 221 | 217 | 217 | 0.1 | 11 |
| 178  | 100  | 95  | Day & Norton 100 | 620   | -2  | -3 | 2,7  | 2,7  | 2,7  | 5.9  | 246  | 210     | 210 | G.R.E. Ltd.   | 270   | -4  | -10 | 11.4 | 11.4 | 11.4 | 0.31 | 246  | 143  | 143 | Gen. Inv. | 112   | -1 | -1  | 1,02 | 1,02 | 1,02 | 0.31 | 212  | 143 | 143 | Gen. Inv. | 143 | 0.2 | 0.2 | 221 | 217 | 217 | 0.1 | 11 |
| 125  | 125  | 120 | Day & Norton 100 | 160   | -2  | -3 | 2,6  | 2,6  | 2,6  | 5.9  | 426  | 320     | 320 | Hamro L.L.C.  | 240   | -15 | -15 | 14.8 | 14.8 | 14.8 | 0.38 | 246  | 143  | 143 | Gen. Inv. | 123   | -1 | -1  | 1,02 | 1,02 | 1,02 | 0.38 | 212  | 143 | 143 | Gen. Inv. | 143 | 0.2 | 0.2 | 221 | 217 | 217 | 0.1 | 11 |
| 176  | 125  | 120 | Day & Norton 100 | 160   | -2  | -3 | 2,6  | 2,6  | 2,6  | 5.9  | 246  | 210     | 210 | Heathcoat 100 | 240   | -2  | -2  | 14.8 | 14.8 | 14.8 | 0.38 | 246  | 143  | 143 | Gen. Inv. | 123   | -1 | -1  | 1,02 | 1,02 | 1,02 | 0.38 | 212  | 143 | 143 | Gen. Inv. | 143 | 0.2 | 0.2 | 221 | 217 | 217 | 0.1 | 11 |
| 126  | 125  | 120 | Day & Norton 100 | 160   | -2  | -3 | 2,6  | 2,6  | 2,6  | 5.9  | 246  | 210     | 210 | Heworth Corp. | 125   | -2  | -2  | 14.8 | 14.8 | 14.8 | 0.38 | 246  | 143  | 143 | Gen. Inv. | 123   | -1 | -1  | 1,02 | 1,02 | 1,02 | 0.38 | 212  | 143 | 143 | Gen. Inv. | 143 | 0.2 | 0.2 | 221 | 217 | 217 | 0.1 | 11 |
| 177  | 125  | 120 | Day & Norton 100 | 160   | -2  | -3 | 2,6  | 2,6  | 2,6  | 5.9  | 246  | 210     | 210 | Heworth Corp. | 125   | -2  | -2  | 14.8 | 14.8 | 14.8 | 0.38 | 246  | 143  | 143 | Gen. Inv. | 123   | -1 | -1  | 1,02 | 1,02 | 1,02 | 0.38 | 212  | 143 | 143 | Gen. Inv. | 143 | 0.2 | 0.2 | 221 | 217 | 217 | 0.1 | 11 |
| 127  | 125  | 120 | Day & Norton 100 | 160   | -2  | -3 | 2,6  | 2,6  | 2,6  | 5.9  | 246  | 210     | 210 | Heworth Corp. | 125   | -2  | -2  | 14.8 | 14.8 | 14.8 | 0.38 | 246  | 143  | 143 | Gen. Inv. | 123   | -1 | -1  | 1,02 | 1,02 | 1,02 | 0.38 | 212  | 143 | 143 | Gen. Inv. | 143 | 0.2 | 0.2 | 221 | 217 | 217 | 0.1 | 11 |
| 128  | 125  | 120 | Day & Norton 100 | 160   | -2  | -3 | 2,6  | 2,6  | 2,6  | 5.9  | 246  | 210     | 210 | Heworth Corp. | 125   | -2  | -2  | 14.8 | 14.8 | 14.8 | 0.38 | 246  | 143  | 143 | Gen. Inv. | 123   | -1 | -1  | 1,02 | 1,02 | 1,02 | 0.38 | 212  | 143 | 143 | Gen. Inv. | 143 | 0.2 | 0.2 | 221 | 217 | 217 | 0.1 | 11 |
| 129  | 125  | 120 | Day & Norton 100 | 160   | -2  | -3 | 2,6  | 2,6  | 2,6  | 5.9  | 246  | 210     | 210 | Heworth Corp. | 125   | -2  | -2  | 14.8 | 14.8 | 14.8 | 0.38 | 246  | 143  | 143 | Gen. Inv. | 123   | -1 | -1  | 1,02 | 1,02 | 1,02 | 0.38 | 212  | 143 | 143 | Gen. Inv. | 143 | 0.2 | 0.2 | 221 | 217 | 217 | 0.1 | 11 |
| 130  | 125  | 120 | Day & Norton 100 | 160   | -2  | -3 | 2,6  | 2,6  | 2,6  | 5.9  | 246  | 210     | 210 | Heworth Corp. | 125   | -2  | -2  | 14.8 | 14.8 | 14.8 | 0.38 | 246  | 143  | 143 | Gen. Inv. | 123   | -1 | -1  | 1,02 | 1,02 | 1,02 | 0.38 | 212  | 143 | 143 | Gen. Inv. | 143 | 0.2 | 0.2 | 221 | 217 | 217 | 0.1 | 11 |
| 131  | 125  | 120 | Day & Norton 100 | 160   | -2  | -3 | 2,6  | 2,6  | 2,6  | 5.9  | 246  | 210     | 210 | Heworth Corp. | 125   | -2  | -2  | 14.8 | 14.8 | 14.8 | 0.38 | 246  | 143  | 143 | Gen. Inv. | 123   | -1 | -1  | 1,02 | 1,02 | 1,02 | 0.38 | 212  | 143 | 143 | Gen. Inv. | 143 | 0.2 | 0.2 | 221 | 217 | 217 | 0.1 | 11 |
| 132  | 125  | 120 | Day & Norton 100 | 160   | -2  | -3 | 2,6  | 2,6  | 2,6  | 5.9  | 246  | 210     | 210 | Heworth Corp. | 125   | -2  | -2  | 14.8 | 14.8 | 14.8 | 0.38 | 246  | 143  | 143 | Gen. Inv. | 123   | -1 | -1  | 1,02 | 1,02 | 1,02 | 0.38 | 212  | 143 | 143 | Gen. Inv. | 143 | 0.2 | 0.2 | 221 | 217 | 217 | 0.1 | 11 |
| 133  | 125  | 120 | Day & Norton 100 | 160   | -2  | -3 | 2,6  | 2,6  | 2,6  | 5.9  | 246  | 210     | 210 | Heworth Corp. | 125   | -2  | -2  | 14.8 | 14.8 | 14.8 | 0.38 | 246  | 143  | 143 | Gen. Inv. | 123   | -1 | -1  | 1,02 | 1,02 | 1,02 | 0.38 | 212  | 143 | 143 | Gen. Inv. | 143 | 0.2 | 0.2 | 221 | 217 | 217 | 0.1 | 11 |
| 134  | 125  | 120 | Day & Norton 100 | 160   | -2  | -3 | 2,6  | 2,6  | 2,6  | 5.9  | 246  | 210     | 210 | Heworth Corp. | 125   | -2  | -2  | 14.8 | 14.8 | 14.8 | 0.38 | 246  | 143  | 143 | Gen. Inv. | 123   | -1 | -1  | 1,02 | 1,02 | 1,02 | 0.38 | 212  | 143 | 143 | Gen. Inv. | 143 | 0.2 | 0.2 | 221 | 217 | 217 | 0.1 | 11 |
| 135  | 125  | 120 | Day & Norton 100 | 160   | -2  | -3 | 2,6  | 2,6  | 2,6  | 5.9  | 246  | 210     | 210 | Heworth Corp. | 125   | -2  | -2  | 14.8 | 14.8 | 14.8 | 0.38 | 246  | 143  | 143 | Gen. Inv. | 123   | -1 | -1  | 1,02 | 1,02 | 1,02 | 0.38 | 212  | 143 | 143 | Gen. Inv. | 143 | 0.2 | 0.2 | 221 | 217 | 217 | 0.1 | 11 |
| 136  | 125  | 120 | Day & Norton 100 | 160   | -2  | -3 | 2,6  | 2,6  | 2,6  | 5.9  | 246  | 210     | 210 | Heworth Corp. | 125   | -2  | -2  | 14.8 | 14.8 | 14.8 | 0.38 | 246  | 143  | 143 | Gen. Inv. | 123   | -1 | -1  | 1,02 | 1,02 | 1,02 | 0.38 | 212  | 143 | 143 | Gen. Inv. | 143 | 0.2 | 0.2 | 221 | 217 | 217 | 0.1 | 11 |
| 137  | 125  | 120 | Day & Norton 100 | 160   | -2  | -3 | 2,6  | 2,6  | 2,6  | 5.9  | 246  | 210     | 210 | Heworth Corp. | 125   | -2  | -2  | 14.8 | 14.8 | 14.8 | 0.38 | 246  | 143  | 143 | Gen. Inv. | 123   | -1 | -1  | 1,02 | 1,02 | 1,02 | 0.38 | 212  | 143 | 143 | Gen. Inv. | 143 | 0.2 | 0.2 | 221 | 217 | 217 | 0.1 | 11 |
| 138  | 125  | 120 | Day & Norton 100 | 160   | -2  | -3 | 2,6  | 2,6  | 2,6  | 5.9  | 246  | 210     | 210 | Heworth Corp. | 125   | -2  | -2  | 14.8 | 14.8 | 14.8 | 0.38 | 246  | 143  | 143 | Gen. Inv. | 123   | -1 | -1  | 1,02 | 1,02 | 1,02 | 0.38 | 212  | 143 | 143 | Gen. Inv. | 143 | 0.2 | 0.2 | 221 | 217 | 217 | 0.1 | 11 |
| 139  | 125  | 120 | Day & Norton 100 | 160   | -2  | -3 | 2,6  | 2,6  | 2,6  | 5.9  | 246  | 210</td |     |               |       |     |     |      |      |      |      |      |      |     |           |       |    |     |      |      |      |      |      |     |     |           |     |     |     |     |     |     |     |    |

